

JUREVE & SON
CHARTERED SURVEYORS
PROPERTY VALUATIONS
LONDON · BEDFORD · BRISTOL · HITCHIN
LUTON · AMPTHILL

CONTINENTAL SELLING PRICES: AUSTRIA S 16; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Ptas 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY

GENERAL

Thorpe may defy Steel

Former Liberal leader Mr. Jeremy Thorpe is expected to defy a request from party chiefs to stay away from next week's Liberal conference in Southampton. The request, thought to have been made first by party leader Mr. David Steel and endorsed by Liberal party chairman Lord Evers of Clarendon, is the latest move by the party to distance itself from Mr. Thorpe, in the light of charges he now faces.

Suspect isolated

Mrs. Cheryl Hall, 23, who works at the Birmingham hospital where smallpox victim Mrs. Janet Parker was first admitted, went into isolation after developing a rash. A Birmingham inquest found that smallpox expert Professor Henry Bedson killed himself after Mrs. Parker contracted the disease.

Reprisal fear

As Rhodesian troops hunted nationalist guerrillas who mounted Umkhonto attacks, Kaunda of Zambia confirmed that he believed Rhodesia was planning to attack his country, in reprisal for the missile attack on an Air Rhodesia Viscount.

City threatened

As troops and civilians fought to save India's historic city of Allahabad, threatened by rising floods, Prime Minister Mr. Indira Gandhi sent a message of sympathy to the flood victims via Indian Premier Mr. Morarji Desai.

Peace talks

President Carter held late night talks with Egyptian President Anwar Sadat as the Camp David Middle East peace summit moved towards working sessions. In Beirut, Syrian peacekeeping forces pounded Christian districts with heavy artillery.

Court cleared

The Old Bailey secrets trial continued behind closed doors when tape recordings of an alleged interview between a former Army intelligence corporal and two journalists were played to the jury.

Canals scheme

Environment Secretary Mr. Peter Shore approved a £10m British Waterways Board scheme to improve the canal network between Doncaster and Rotherham.

Killing studied

The Director of Public Prosecutions is to study a file on the killing of a teenage boy in Ulster by two SAS men as they lay in wait near an arms cache.

Airport vigil

Police stepped up security after radicals seized cable lines and telephones in a fresh sabotage attempt against Tokyo's new international airport.

Briefly...

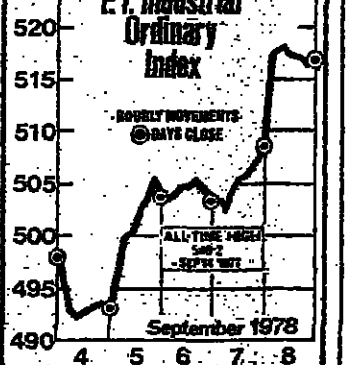
Fachier Beale George Harrison was married in secret at Henley-on-Thames Register Office to Olivia Arias.
The drummer Keith Moon died from a drugs overdose, a post-mortem revealed.
More than 30 people were arrested in clashes between police and anti-government demonstrators in Karachi.
Darwin waitress was thrown out of an official dinner for Australian Premier, Malcolm Fraser, after she took a tomato off his plate and ate it.
Ricardo Zamora, one of the world's greatest goalkeepers, died in Barcelona, aged 77.
U.S. businessman Jay Crawford, given a suspended sentence in Moscow for currency offences, left Moscow for the West.

BUSINESS

Equities rally: Wall St. over 900

● EQUITIES moved sharply higher following Mr. Callaghan's statement that there would be no election this year. The FT Ordinary Index jumped ahead 8.3 to close at 517.0, a rise of 27.10 on the week.

● GILTS edged higher after a cautious start, overshadowed



by equities. Long-dated issues closed with gains extending to 1.

● STERLING weakened by 10 points on the firm U.S. dollar to close at \$1.5365 (\$1.5375). Trade-weighted depreciation improved to 62.5 (62.2).

● DOLLAR strengthened against most currencies. It closed at SwFr 1.6390 against Thursday's SwFr 1.6160.

Against the Deutsche Mark it fell to DM 2.0015 (DM 1.9875). Japanese yen eased to ¥192.40 (¥191.00). Dollar depreciation narrowed to 8.5 per cent (8.8).

● GOLD fell 55¢ an ounce to \$205 on the firm S. In New York Comex September gold shed \$1 to \$206.

● WALL STREET surged ahead to its highest level for a year closing 87.41 higher at 907.74 on falling wholesale prices.

● LAYLAND STRIKE threat talks

● RL CARS council is meeting on Monday to discuss the threatened toolmakers' strike. Back

● GROUP OF TEN industrialised countries meeting in Paris was given a hint of possible IMF borrowing plans to support the U.S. dollar. Back Page

● BUILDING SOCIETY chiefs will consider lifting mortgage rates at their council meeting in October, possibly to 10½ per cent, to boost receipts. Back Page

● MINISTRY OF AGRICULTURE is confidently expecting a bumper grain harvest this year, exceeding the 17m tonnes harvested last year. Page 15

● MASSEY-FERGUSON has reported a \$90m net loss for the quarter ending July and has warned it will review its worldwide operations.

● INLAND REVENUE has been charging too much interest on late payments of Development Land Tax for two years due to legislative muddle. Page 15

● GRANGES, the Swedish metals and engineering group, is heading for recovery after disposing of certain unprofitable operations. Page 17

● MR. BOBBY LAWRENCE has been appointed chairman of the National Freight Corporation to succeed Sir Daniel Pettit, who is retiring. Page 3

● TRADES UNION CONGRESS will fight in the High Court to uphold its internal procedures for resolving inter-union disputes. Page 2

● ALFRED HERBERT, the State-owned machine tool group, has announced a pre-tax deficit of £2.23m for the first half of 1978 against a profit of £436,000 in the same 1977 period. Page 14

Scornful Thatcher attacks PM's survival tactics

BY RUPERT CORNWELL, LOBBY STAFF

Mrs. Margaret Thatcher last night accused the Prime Minister of scorning the national interest by drifting on aimlessly. His "broken-backed Government" was bent on surviving by day-to-day deals with minor parties, she said.

As politicians and party workers collected their thoughts after Mr. Callaghan's surprise election, the Opposition leader insisted that although he had put off the day of reckoning, voters sooner or later would seize the chance to elect Labour from office.

But last night the Scottish Nationalist Party, whose 11 MPs at Westminster offer Mr. Callaghan his most realistic chance of surviving the vital Queen's Speech division, remained split between those who want to support the Government to secure the devolution referendum as soon as possible, and those who wish to bring about a general election.

After a three-hour meeting the SNP's National Executive Committee had still not decided what to do. A statement made clear there was no question of the party entering into any pact with either major party, formal or otherwise, but would not spell out the terms on which the Government might be supported.

Instead, the party reiterated its concern with the unemployment situation in Scotland, the continued embezzlement by London of Scottish oil revenues, and the continued denial of self-government for Scotland. The MPs would decide their attitude

speech division, on its merits. But it looks certain that Plaid Cymru will back Labour at least until the referendum is held.

Mrs. Thatcher said in a television broadcast that Labour had lost any claim to enjoy the nation's confidence.

The Prime Minister had claimed that it was best for Britain if the Government soldiered on. "But the longer he puts things off the worse they will become, and the worse they become the longer it will take to put them right."

"Mr. Callaghan said that none of our problems this winter

would be solved by an election now. Well, some of us look further ahead than that and we don't believe that Britain has to grind on in bottom gear."

She conceded that the Prime Minister had the constitutional right to hang on, and even to give the impression of working up to an election, "but no Government worthy of the name plays that sort of game with the electorate."

The postponement will mean little let-up in the pre-election pace. Last night, Cabinet Ministers led by Mr. Denis Healey, the Chancellor, and Mr. Michael Foot, the deputy Labour leader, coupled a vigorous defence of Mr. Callaghan's decision with a savage onslaught on the "vulgar dishonesty" and "framed fatality" of the arguments expounded in the current Tory advertising campaign.

Mr. Healey conceded that the Government's ride over the next few months would be bumpy "with disappointments as well as successes."

But he warned that Labour in office had too often gone to the country too soon after its efforts to restore Britain's fortune had begun to show results. It would not make that mistake this time.

Continued on Back Page

U.S. wholesale prices fall slightly

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 8

FURTHER EVIDENCE of at least temporary abatement of inflationary pressures in the U.S. was provided this morning when the news that wholesale prices fell fractionally last month.

The producer price index for finished goods, successor to the wholesale price index, dropped by 0.1 per cent in August, having gone up by 0.5 and 0.7 per cent respectively in the two previous months. This is the first decline in the index since August 1975.

Investigating lower food prices were the principal factor, the foods component part of the index dropped by 1.5 per cent, while the price of food at intermediate and crude stages of processing fell by even more. This suggests that continued relief from the farm sector is in store for retail prices in the months ahead.

More encouraging was the fact that the index for non-food items went up last month by just 0.4 per cent—only half the rate in July.

The Carter Administration has been saying for some months that a lower rate of inflation

could be expected in the second half of the year, largely because of lower food prices.

The fact that improvement is showing does not mean that the Government has abandoned its commitment to produce a "second-stage" anti-inflation programme.

Yesterday the Economic Policy Group of principal advisers to the President met under the chairmanship of Mr. Michael Blumenthal, the Treasury Secretary, to consider a draft plan drawn up by sub-cabinet level officials.

It appears that the favoured option of this blueprint is voluntary wage and price guidelines, not unlike those used by President Kennedy but backed by some form of limited sanctions. Use of actual controls has been ruled out, as President Carter has said repeatedly, and as his anti-inflation counsellor, Mr. Robert Strauss, reaffirmed today.

On the wages side, labour and management would be asked to limit the size of negotiated settlements to the rate of inflation in the previous year, say

Imps wins battle for Eastwood

BY ANDREW TAYLOR

IMPERIAL GROUP has won its battle to take over J. B. Eastwood, the eggs and poultry concern. Imps' £38m bid was made unconditional yesterday after Mr. Roy Hattersley, the Prices Secretary, announced that the offer was not to be subjected to a monopolies investigation.

Imps launched its 100p-a-share bid two months ago, following a 132p-a-share-bid—worth £32m—from Cargill, the U.S. agri-cultural merchants which generates annual sales of around £50m.

Cargill which withdrew its offer after the higher bid from Imps, had been hoping for a monopolies reference. A spokes-

man for J. Henry Schroder Wagg, Cargill's financial advisers, said: "We are naturally sad about this but we did not feel it was worth paying more than 132p a share."

Imps now controls more than 88 per cent of the Eastwood shares and says it will compulsorily purchase the rest.

It is believed that the Office of Fair Trading had favoured a reference of the bid to the Monopolies Commission on the grounds that it would reduce competition in the UK poultry and egg market.

The merged companies will now control more than 80 per cent of the UK broiler chicken

market and substantial shares of the turkey and egg markets.

Eastwood, with trade union support, argued that reference to the Monopolies Commission would leave the group no choice but to implement its contingency plans for lay-offs or redundancies.

The company emphasised the employment guarantees contained in the Imps offer.

The news that the offer had succeeded boosted Eastwood shares which climbed 15p to 158p yesterday, while Imps shares rose 11p to 85p.

Why Imperial's bid has been cleared Page 15

Plessey to axe 1,250 jobs and shut plant

BY ANDREW TAYLOR

PLESSEY IS to make 1,250 workers redundant and close one of the two Swindon factories of its loss-making Garrard Engineering subsidiary, which manufactures record changers and turntables.

The group blamed a slump in world markets for consumer audio electronic equipment and low-price Japanese competition for a further cut at Garrard, which has made pre-tax losses totalling £9.6m since 1973.

Shop stewards at the Swindon-based subsidiary, who met management yesterday, are due for a further meeting on Monday, said they were "dumbfounded and despondent" about the decision. The management, however, was prepared to examine any proposals to save some of the jobs.

Since 1973 the workforce at Swindon has been axed from almost 4,000 to 1,830. After the latest cuts there will be only 580 people working at the surviving factory in Newcastle Street.

Demand

Plessey said that it is to its music centre business as well as its lower priced record changer and turntable products to concentrate on the top quality end of the market. The decision is expected to reduce output by around two-thirds.

The group said that this latest cut was due to a slump in world demand at a time when Japanese manufacturers had significantly increased sales by maintaining virtually unchanged prices in spite of high rates of inflation and the increased value of the yen, particularly against the U.S. dollar.

More than half Garrard's sales are in the U.S.

Last year Garrard made pre-tax losses of £5.1m on sales of £21.4m. In the first three months of this year Garrard incurred a pre-tax loss of £1.1m.

Around 600 of the workers affected are full-time staff. The rest are part-time workers. In a letter to employees Garrard chairman and Plessey main board director, Mr. W. J. Dakin, said that under the existing operation there was no indication that the company would be able to increase its share of the audio market.

He said that there was no practical alternative to the cut-back.

News Analysis, Page 3

Shah's troops open fire on demonstrators

BY OUR OWN CORRESPONDENT

TEHRAN, Sept. 8

IRANIAN army troops today demonstrated, came two hours opened fire on anti-government after it was broadcast at 6 a.m. on demonstrators in central Tehran, the state-run radio. Soldiers soon after the Government had moved in and fired tear gas at a crowd gathered for a demonstration in the city centre. The crowd broke up into rock-throwing mobs, and the troops opened fire, causing heavy casualties.

At one point, a gang of mostly young Iranians stoned a Post Office near the shooting and collected old shoes from residents to burn in street bonfires.

They shouted "Down with the Pahlavi Dynasty," and several said that they wanted "an Islamic government" to take the Shah's place.

This means a government dominated by the country's traditional religious leaders, who are in the forefront of the opposition movement. One demonstrator said that the people were waiting only for a signal from the religious leaders before launching a full-scale "revolution."

However, since they are not armed, their only chance of succeeding in this would be to turn the Army against the Shah, which explains the repeated slogans urging "brother soldiers" to join them.

Marchers chanted "Death to the Shah" as troops watched with bayonets fixed.

The martial law decision put this capital of more than 4m people under a military governor for the first time in about 25 years. Curfew is from 9 pm to 8 am.

The first test of the announcement, which includes a ban on



SHAH OF IRAN:

Ability to rely on troops questioned.

Islamic government" to take the Shah's place.

This means a government dominated by the country's traditional religious leaders, who are in the forefront of the opposition movement. One demonstrator said that the people were waiting only for a signal from the religious leaders before launching a full-scale "revolution."

However, since they are not armed, their only chance of succeeding in this would be to turn the Army against the Shah, which explains the repeated slogans urging "brother soldiers" to join them.

Marchers chanted "Death to the Shah" as troops watched with bayonets fixed.

The martial law decision put this capital of more than 4m people under a military governor for the first time in about 25 years. Curfew is from 9 pm to 8 am.

The first test of the announcement, which includes a ban on

Islamic government" to take the Shah's place.

This means a government dominated by the country's traditional religious leaders, who are in the forefront of the opposition movement. One demonstrator said that the people were waiting only for a signal from the religious leaders before launching a full-scale "revolution."

However, since they are not armed, their only chance of succeeding in this would be to turn the Army against the Shah, which explains the repeated slogans urging "brother soldiers" to join them.

Marchers chanted "Death to the Shah" as troops watched with bayonets fixed.

The martial law decision put this capital of more than 4m people under a military governor for the first time in about 25 years. Curfew is from 9 pm to 8 am.

The first test of the announcement, which includes a ban on

Islamic government" to take the Shah's place.

This means a government dominated by the country's traditional religious leaders, who are in the forefront of the opposition movement. One demonstrator said that the people were waiting only for a signal from the religious leaders before launching a full-scale "revolution."

However, since they are not armed, their only chance of succeeding in this would be to turn the Army against the Shah, which explains the repeated slogans urging "brother soldiers" to join them.

Marchers chanted "Death to the Shah" as troops watched with bayonets fixed.

The martial law decision put this capital of more than 4m people under a military governor for the first time in about 25 years. Curfew is from 9 pm to 8 am.

CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated)		Metal Box		374	+ 30
RISKS		Nw Thromorton Cap.		151	+ 10
Barclays Bank	358 + 10	Oliver Paper Mill	46	+ 12	
Becham	130 + 13	Racal Elec	344	+ 12	
Blue Circle	296 + 9	Savoy (J.)	78	+ 5	
Booker McConnell	294 + 10	Tilling (T.)	138	+ 8	
British Sugar	132 + 7	Tame Products	197	+ 8	
Brown (J.)	478 + 12	Shell Transport	582	+ 10	
Campari B	115 + 8	Anglo-Std. Develops.	552	+ 10	
Collins (Wm.) A	145 + 5	Cent. Pacific Minerals	550	+ 50	
Distillers	207 + 8	Ritz	248	+ 9	
Dewey	287 + 12	FALLS			
Eastwood (J. B.)	158 + 15	Britains	211	+ 41	
Glaxo	628 + 13	Gibbons Dudley	75	+ 10	
GUS A	324 + 8	Shakespeare (J.)	271	+ 10	
Hawker Siddeley	248 + 12	ORA	213	+ 10	
Hunting Assoc. Inds	432 + 11	Ligonier	363	+ 28	
ICI	410 + 5	Messiba	80	+ 5	
ICI	358 + 10	North West Mining	44	+ 5	
Lookers	66 + 7	President Steyn	880	+ 50	
M. L. Holdings	135 + 11	St. Helena	599	+ 39	

CONTENTS OF TODAY'S ISSUE

Overseas news	2	Leader page	12	Wall Street	16
Home news—general	3, 15	UK Companies	14-15	Foreign Exchanges	19
—labour	3	Mining	6	Farming, raw materials	17
Arts and Collecting	10-11	Intl. Companies	17	UK stock market	20

FEATURES

Mr. Callaghan's struggle to	12	Indian floods pose threat to	2	Alfa turus on power	8
Unscrambling the radio	13	World stock markets	5	Ardenne's Forests and hills	8
		Working at home problems	6	The world of dailies	8
				American TV for UK	10

Appointments	18	Insurance	16	Taxation	21
Arbitrage	18	Letters	16	Unit Trusts	21
Class	18	Lot	16	Wages	21
Collecting	18	Man of the Week	24	Weekend	21
Crossword Puzzle	18	Week in Law, & NY	24	Year Savings & Inv.	21
Economic Diary	18	Property	24		
Entertainment Guide	18	Racing	24		
Finance and Family	18	Share Information	24		
Financials Index	18	Share Market	24		
General	18	Share Market	24		
Govt	18	Travel	24		
How to Spend It	18	TV and Radio	24		

For latest Share Index phone 01-246 8026

ARBUTHNOT IN AMERICA

Here's why you should invest now in the Arbuthnot North American and International Fund

"Much smaller, but no less successful, has been the Arbuthnot North American Unit Trust, doubling in size to £2.5 million in the last few weeks. It also proudly stands at the head of the one-year performance table, with a rise of some 12.5 p.c. in the 12 months to last Friday, which compares with a fall of 8.6 p.c. in the Dow Jones in the same period."

Now - The Right Time to Invest - The US stock market is beginning to recover from a depressed level similar to that in the UK market three years ago. We believe the US market still has room for considerable growth which is the aim of this fund.

Arbuthnot - The Right North American Fund - Over 90% of the fund is currently invested in US securities, much of it in smaller companies. Unlike the blue-chip multinationals their growth is not held back by overseas interests operating in less favourable conditions or by falling exchange rates. However, we maintain an extremely flexible attitude and with any improvement in world trade we would increase the fund's holding in the larger international trading companies.

Arbuthnot carry out much in-depth research and constant monitoring, as well as making regular visits to America, so as to pin point the areas and industries that show the greatest potential for growth.

To: Arbuthnot Securities Ltd, 25 Queen Street, London EC4R 3RY. Telephone: 01-299 6281.

Investment of this fund is partially through a back-to-back loan facility in order to minimise the effects of the dollar premium.

The price of the units and the income from them may go down as well as up.

Your investment should be regarded as long term. Fixed price offer for North American and International Fund (estimated current gross yield 11.1%) until 5pm September 15th, 1978 at 36.3p (or the daily price if lower).

ARBUTHNOT NORTH AMERICAN AND INTERNATIONAL FUND

OVERSEAS NEWS

Lebanese Christians split by fighting

By Ihsan Hijazi

BEIRUT, Sept. 8.

LOCKED in a fierce confrontation with Syrian troops of the Arab Peacekeeping Force, the Lebanese Christian alliance has begun to show serious strains. This is reflected in political divisions, economic and social troubles, and a widening of the growing problems of displaced people.

Heavy artillery exchanges occurred last night between the Syrians and the Christian militias in Beirut's southern suburbs. It was the second large-scale bombardment there in less than a week. The number of casualties and extent of damage were not immediately known.

[Reuters quotes a Western correspondent who spent the night in the area saying the fighting began when the militias opened up on Syrian troops with automatic rifles and machine guns. He said the Syrians retaliated at first with light weapons and then used heavy artillery.]

The Christian district of Ain el-Rummaneh, the centre of the tension, is almost empty, with civilians having abandoned their homes and left the shattered quarter to the militias.

Displaced persons from Ain el-Rummaneh form only a small part of the 300,000 Christians who had to relocate after heavy fighting in their own areas.

Mr. Pierre Gemayel, the leader of the Phalange party, the principal Christian paramilitary organisation, has warned that if the problem of refugees is not solved before the cold weather arrives, an all-out flare-up should be expected.

Businessmen and trade union leaders in the Christian districts have sounded the alarm about what they termed an economic depression if the situation is not remedied quickly.

Conflict was reported to have developed between "doves" and "hawks" in the Christian camp, with the doves urging a compromise with President Sarkis and the Syrians, and the hawks repudiating any such suggestion and keeping the pot boiling until Israel is in a position to come to their help.

The trauma has affected the Phalange party seriously. There have been unconfirmed reports that some prominent members of the party leadership, Mr. Louis Abu Sharrif and Mr. George Saadeh, have resigned from the party because they disapprove of the military trend in the party's policy.

Nicaragua protest over priest's arrest

By Joseph Mann

MANAGUA, Sept. 8.

A CROWD estimated in the thousands poured into the streets in the city of Managua south of here this morning in protest at the arrest last night of a Roman Catholic priest. Tensions rose in the cities of Managua and Esteli as the Nicaraguan national guard continued rounding up politicians, businessmen and youths and carried out a series of searches in homes, schools and churches. Residents of the two provincial cities feared that serious violence could break out at any time, leading to a confrontation between police and anti-government protesters.

The Government of President Anastasio Somoza said this morning that the director of the Salesian school Don Bosco in Managua, Father Jose Maria Pacheco Vasquez, was arrested on a charge of arms possession. A cache of arms was discovered in the parish house next to the school.

Eye-witnesses told me that several jeeps full of national guardsmen had attacked the Don Bosco school on Wednesday night, shooting hundreds of rounds into the school building and church alongside. They also broke down two doors and entered the school grounds by climbing over a wall. The guard returned last night to conduct another search and to arrest the priest.

Four priests and two students were present at the Wednesday night raid. The fourth priest, soldiers had entered the school. The raids were ostensibly carried out to search for arms and young rebels. The local source told me that the soldiers themselves threw home-made bombs into the street as they entered the school to give the impression that they were being attacked from within. Priests at the Don Bosco school were reluctant to give their names to the Press, saying that they had been threatened by anonymous callers. The school's block-long facade was pockmarked with bullet holes and the front door had been smashed. There were more bullet holes and broken glass inside the building. The church alongside also bore dozens of holes made by high-powered rifle shots. The school's 800 students were not present during the Wednesday night attack and the school was later closed by the Salesian priests because of the frequent raids.

Citibank move for publicity curb

BY DAVID LASCELLES

NEW YORK, Sept. 8.

CITIBANK HAS filed a series of motions with the New York Supreme Court seeking curtailment of publicity of evidence relating to a wrongful dismissal suit brought by a former employee. The employee, Mr. David Edwards, has alleged in a series of documents and exhibits lodged with the court, that Citibank dismissed him after he tried to secure an investigation into some of the bank's foreign exchange trading practices.

The bank's main demand is that the court block a request by Mr. Edwards' lawyers to take a deposition against Mr. Walter Hanson, senior partner of Peat, Marwick, Mitchell, the accountancy firm which the bank has asked to conduct an investigation

into Mr. Edwards' allegations. The bank's demand is made on the grounds that such a deposition would violate the lawyer-client relationship between Peat, Marwick, Mitchell, and Shearman and Sterling, the Wall Street law firm who commissioned the investigation on Citibank's behalf.

It is common practice for corporations to get their lawyers to commission sensitive work so as to benefit from the sanctity enjoyed by the lawyer-client relationship.

Mr. Justice Evans of the New York Supreme Court is to rule on all these motions on September 13. In the meantime, Mr. Edwards has agreed not to discuss Citibank's business practices with the media.

Mr. Edwards' main allegations, which were made in the court papers, were related to the way that money was transferred from Citibank's European branches to the Nassau branch in order to secure tax advantages.

Citibank has denied Mr. Edwards' allegations in court papers of its own, and said it conducted an internal investigation before calling in Peat, Marwick, Mitchell to make an outside report. The results of this should be ready later in the autumn, but Citibank has not said whether they will be published.

Edwards has agreed not to discuss Citibank's business practices with the media.

Mr. Edwards' main allegations, which were made in the court papers, were related to the way that money was transferred from Citibank's European branches to the Nassau branch in order to secure tax advantages.

Citibank has denied Mr. Edwards' allegations in court papers of its own, and said it conducted an internal investigation before calling in Peat, Marwick, Mitchell to make an outside report. The results of this should be ready later in the autumn, but Citibank has not said whether they will be published.

Arms talks in Moscow 'useful'

BY DAVID SATTER

MOSCOW, Sept. 8.

SOVIET AND U.S. negotiators have completed two days of strategic arms limitation talks, which Western diplomats said had been useful as a step towards reaching a new agreement.

The U.S. team was headed by Mr. Paul Warnke, the chief U.S. SALT negotiator and the head of the arms control and disarmament agency, who apparently came to Moscow to give Soviet leaders a look at U.S. proposals for resolving the outstanding issues.

He met Mr. Andrei Gromyko, the Soviet Foreign Minister. As a result, the talks due to be held by Mr. Gromyko and Mr. Cyrus Vance, the U.S. Secretary of State, on September 17 had been simplified, the Western diplomats said.

The talks have made some progress in narrowing differences on the remaining issues in the last year. These are believed to be the Soviet "Backfire" bomber, which the Russians do not want counted under strategic weapons ceilings, deployment of missile systems and the effective date of the new agreement.

The respective negotiating teams included the Geneva SALT delegation chiefs, Ralph Earle and Vladimir Semynov, as well as the Soviet and U.S. military experts, General John Rowney and Colonel-General Ivan Seleznev.

Mr. Warnke, who was leaving Moscow today, said the protracted negotiations were "now in the home stretch" and the SALT agreement could be ready well before the end of the year.

Meanwhile, Mr. Jay Crawford, the representative of the Chicago-based firm of International Harvester, left Moscow today after being convicted yesterday of black market currency dealing. He was given a five-year suspended labour camp sentence.

Mr. Crawford consistently denied his guilt and his arrest was seen by U.S. officials as retaliation for the arrest of two United Nations employees in May.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

IMF strike fear recedes

BY JUREK MARTIN

WASHINGTON, Sept. 8.

THE LINGERING threat of a strike by the staff of the International Monetary Fund to coincide with the organisation's annual meeting later this month was dispelled here this morning.

At a mass meeting, the staff, while deploring the delay in final consideration of their pay claim, agreed to wait until October 23, when the board of directors is due to take a decision on the salary increase.

In a generally worded resolution, the staff urged the board to approve the proposals put forward on Wednesday by Mr. Jacques Lagarde, the new managing director. This would give the staff an additional 3 per cent, on top of the 3 per cent awarded in a provisional settlement in the spring.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

The United States has been opposed to increasing what it sees as already inflated IMF salaries. However, the suspicion is growing that the U.S. will drop its objections at the October 23 meeting. By then Congress, which also takes a dim view of IMF and World Bank salaries, will be in recess and, hopefully, key items of outstanding legislation, including the Foreign Aid Bill and approval of a new supplementary financing facility, will have been enacted into law.

cent awarded in a provisional settlement in the spring. The was accompanied by a warning that "strong state action" would result if the board decided otherwise.

Hong Kong growth hopes

BY RON RICHARDSON

HONG KONG, Sept. 8.

HONG KONG'S economy should continue to grow strongly in the remainder of 1978 led by higher-than-expected exports and domestic consumption, according to the Financial Secretary, Mr. Philip Haddon-Cave in a half-yearly economic survey delivered today.

The overall rate of growth of the Gross Domestic Product (GDP) should reach about 10 per cent, he said, compared with the forecast of 9 per cent contained in the 1977-78 budget presented in April.

However, changes which have taken place in the domestic economy recently, especially the sustained high level of domestic demand, caused the Financial Secretary to be guarded about the longer term economic outlook.

The rate of growth of the Gross Domestic Product (GDP) should reach about 10 per cent, he said, compared with the forecast of 9 per cent contained in the 1977-78 budget presented in April.

However, changes which have taken place in the domestic economy recently, especially the sustained high level of domestic demand, caused the Financial Secretary to be guarded about the longer term economic outlook.

The rate of growth of the Gross Domestic Product (GDP) should reach about 10 per cent, he said, compared with the forecast of 9 per cent contained in the 1977-78 budget presented in April.

However, changes which have taken place in the domestic economy recently, especially the sustained high level of domestic demand, caused the Financial Secretary to be guarded about the longer term economic outlook.

The rate of growth of the Gross Domestic Product (GDP) should reach about 10 per cent, he said, compared with the forecast of 9 per cent contained in the 1977-78 budget presented in April.

However, changes which have taken place in the domestic economy recently, especially the sustained high level of domestic demand, caused the Financial Secretary to be guarded about the longer term economic outlook.

The rate of growth of the Gross Domestic Product (GDP) should reach about 10 per cent, he said, compared with the forecast of 9 per cent contained in the 1977-78 budget presented in April.

However, changes which have taken place in the domestic economy recently, especially the sustained high level of domestic demand, caused the Financial Secretary to be guarded about the longer term economic outlook.

The rate of growth of the Gross Domestic Product (GDP) should reach about 10 per cent, he said, compared with the forecast of 9 per cent contained in the 1977-78 budget presented in April.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

Reviewing the main components of the economy, Mr. Haddon-Cave said the value of domestic exports now seemed likely to swell by about 7 per cent during 1978 compared with the budget forecast of 5 per cent. This is a result of the continued depreciation of the Hong Kong dollar (an export-weighted basis, the depreciation is 9.1 per cent since the start of 1977) maintaining the competitiveness of local manufacturers, combined with unexpected growth in the workforce.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

Reviewing the main components of the economy, Mr. Haddon-Cave said the value of domestic exports now seemed likely to swell by about 7 per cent during 1978 compared with the budget forecast of 5 per cent. This is a result of the continued depreciation of the Hong Kong dollar (an export-weighted basis, the depreciation is 9.1 per cent since the start of 1977) maintaining the competitiveness of local manufacturers, combined with unexpected growth in the workforce.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

Reviewing the main components of the economy, Mr. Haddon-Cave said the value of domestic exports now seemed likely to swell by about 7 per cent during 1978 compared with the budget forecast of 5 per cent. This is a result of the continued depreciation of the Hong Kong dollar (an export-weighted basis, the depreciation is 9.1 per cent since the start of 1977) maintaining the competitiveness of local manufacturers, combined with unexpected growth in the workforce.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

Reviewing the main components of the economy, Mr. Haddon-Cave said the value of domestic exports now seemed likely to swell by about 7 per cent during 1978 compared with the budget forecast of 5 per cent. This is a result of the continued depreciation of the Hong Kong dollar (an export-weighted basis, the depreciation is 9.1 per cent since the start of 1977) maintaining the competitiveness of local manufacturers, combined with unexpected growth in the workforce.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

Reviewing the main components of the economy, Mr. Haddon-Cave said the value of domestic exports now seemed likely to swell by about 7 per cent during 1978 compared with the budget forecast of 5 per cent. This is a result of the continued depreciation of the Hong Kong dollar (an export-weighted basis, the depreciation is 9.1 per cent since the start of 1977) maintaining the competitiveness of local manufacturers, combined with unexpected growth in the workforce.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

Reviewing the main components of the economy, Mr. Haddon-Cave said the value of domestic exports now seemed likely to swell by about 7 per cent during 1978 compared with the budget forecast of 5 per cent. This is a result of the continued depreciation of the Hong Kong dollar (an export-weighted basis, the depreciation is 9.1 per cent since the start of 1977) maintaining the competitiveness of local manufacturers, combined with unexpected growth in the workforce.

He also hinted that the Government is dissatisfied with the continuing low level of interest rates in the colony—the three-month Hong Kong dollar deposit rate is currently 2.5 per cent—and may seek some way of more effectively influencing the interest structure.

New Portugal Government 'will survive'

LISBON, Sept. 8.

PORTUGAL'S FORMER Socialist Prime Minister, Dr. Mario Soares, said today the new non-party government of Sr. Nogueira Costa would probably survive next week's debate on its programme.

In an interview with the left-wing weekly O Jornal, Dr. Soares said that following contacts with other political parties he believed a parliamentary solution to the Government crisis would be reached within three to four months.

"All the parties think that it is necessary to find a rapid solution, because this Government serves neither the country nor democracy," he said. Prime Minister Costa's 400-page Government programme delivered in Parliament yesterday was received with uncharacteristic silence by the 283 deputies.

The Socialists said the Government had only the support of President Antonio Ramalho Eanes. The Conservative Centre Democrats (CDS) accused it of having an understanding with the Left while the Communists charged that it had links with reactionary parties.

Reuter

Reuter

Reuter

Reuter

Reuter

Reuter

Reuter

Reuter

Reuter

Zambia 'will blame UK' if Rhodesia attacks

By Our Own Correspondent

LUSAKA, Sept. 8.

PRESIDENT Kenneth Kaunda of Zambia said today that he would not rule out inviting forces from outside Africa to help his army defend the troubled borders with Rhodesia.

The President, who has made such statements in the past, did not elaborate. He did, however, confirm to a Press conference that he believes Rhodesia is planning to attack Zambia in reprisal for the shooting down of an Air Rhodesia Viscount aircraft last weekend. He said Zambia would hold Britain, as the colonial power, "entirely responsible for any attack on us, from Rhodesia."

Dr. Kaunda met the Press on the eve of a major conference of Zambia's sole party, the United National Independence Party, which seems certain to endorse him as sole candidate for Presidential elections later this year.

Dr. Kaunda also accused Sir Rhodesia William for the British Prime Minister, of complicity with Rhodesia's white minority in the 1965 unilateral declaration of independence (UDI) and of later knowing that British oil companies were breaking sanctions.

As in the past, Dr. Kaunda said he would not rule out further meetings with Mr. Ian Smith, the Rhodesian Prime Minister, despite the controversy created by last month's secret talks in Zambia between Mr. Smith and Mr. Joshua Nkomo, co-leader of the Patriotic Front nationalist alliance.

But Dr. Kaunda made clear that the "frontline" states—Angola, Botswana, Mozambique, Tanzania and Zambia—had agreed not to make contact with Mr. Smith anew without prior consultation among themselves.

All three plan to stand for the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties.

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m members often described as the biggest union in the Western world—and Herr Karl Haunschild, head of the chemical workers union, said: "We are not here to represent the Social Democrat Party (SPD)—a decision promptly criticised by the political opposition here on grounds that trades union leaders should not be identified with political parties."

Explaining the candidature, Herr Eugen Loderer, leader of the metalworkers union, IG Metall—with 2.6m

HOME NEWS

Railman appointed chairman of National Freight

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

MR. ROBERT LAWRENCE has been appointed chairman of the National Freight Corporation to succeed Sir Daniel Pettit, who retires at the end of this year.

The appointment of Mr. Lawrence, who is a career railwayman, to the chairmanship of the state-owned road transport conglomerate is an attempt to re-strengthen links between the public rail and road operators.

Ties were weakened last month with the transfer of Freightliners, the container company owned jointly by the corporation and British Rail, to full railway ownership.

Mr. Lawrence, 62, will continue as vice-chairman of British Rail, but will relinquish most of the posts he holds in various railway subsidiaries.

His name emerged as the favoured candidate after a long period of consideration by Mr. William Rodgers, the Transport Secretary. A number of political and trade union candidates were put forward.

Other candidates were the corporations' two most senior executives, Mr. Peter Thompson, chief executive, and Mr. Victor Pease, vice-chairman. Mr. Lawrence's appointment is intended to involve only a two-days-a-week commitment on the understanding that greater responsibility passes to Mr. Pease and Mr. Thompson.

Mr. Lawrence has considerable experience of road transport, having been general manager of British Rail's former sundries division, which in 1968 became part of National Freight under the title Nations Carriers. He

Mr. R. LAWRENCE
Strengthening links

has also been on the freight corporation board for the last 10 years.

Mr. Rodgers also announced yesterday that Sir Humphrey Brune, 67, chairman of the British Transport Docks Board, has agreed to continue in the post for another year from next April.

Other appointments to the freight corporation board announced yesterday are Mr. J. S. Fleming, Fellow in Economics at Nuffield College, and Mr. P. H. Spridell, a director of Marks and Spencer.

Thatcher attacks election bluff

By Ivor Owen, Parliamentary Staff

BY REFUSING to call an autumn General Election, the Prime Minister had exposed the Tories' problems would become worse and that it would take longer to put them right, Mrs. Margaret Thatcher said last night.

Replying on radio and television to Mr. Callaghan's "No election" broadcast hours earlier, she said: "But I believe they can be put right once we have a Government that has confidence."

"The confidence of the people and confidence in people. A Government with authority at home and with authority abroad."

After a hesitant, almost breathless, start in which she underlined the fact that a General Election had been expected as much by the Labour Party as by its political opponents, Mrs. Thatcher condemned the Prime Minister's elaborate exercise in bluff and counter-bluff.

Any Government could appear to work up to an election, and then suddenly puncture the balloon," she said. "But to Government worthy of the name with the national interest genuinely at heart plays that sort of game with the electorate."

"A simple announcement would have ended the uncertainty months ago. That's what Sir Alec Douglas-Home did in 1964. Mr. Callaghan chose not to do so, but then Mr. Callaghan is not Sir Alec Douglas-Home."

Construed Mrs. Callaghan's refusal to call a general election with the decision taken by Mr. Attlee to go to the country in October, 1951, even when his Labour Government still had a majority in the Commons and four years to run.

"For Mr. Attlee, the country came first."

She doubted whether either Sir Alec or Mr. Attlee would have accepted Mr. Callaghan's claim that he wanted to go on because it was "best for Britain."

The Government had lost its majority through a series of by-



Ultra-conservative approach to fashion: Mrs. Margaret Thatcher, the Tory leader nicknamed "The Iron Lady" by the Russians, tries on some "medieval" armour made by engineering apprentices. She was visiting the Midland Group Training Centre at Coventry yesterday.

election reverses. With those almost the worst record of any world, despite the advantages of North Sea oil. We are just about to survive by doing a deal from day bottom of the league on any day to parties whose measures you care to take. That's principles are wholly different from their own."

"That's no way to run a country, and it's no way to govern Britain."

Mrs. Thatcher scoffed at the Prime Minister's denial that the Government had deliberately set out to stage a pre-election boom.

"Boom? What boom? There have been more people out of work over the last year than at any time since the war. Since 1974, food prices have more than doubled. Tax has more than doubled. This Labour Government has the chance to give your answer."

With Parliament reassembling on October 24, debates on the Orders—assuming the Government overcomes any Opposition motion on the Queen's speech—could hardly be completed before November 2 at the earliest.

This means that a referendum could not legally be held until December 12.

It is inconceivable that the Government would hold polls a few days before Christmas and unlikely that it would do so immediately in the New Year.

By then, there is a strong case for waiting for the new electoral register to come into force in the middle of February because of the need to overcome the 40 per cent hurdle inserted in the Acts by dissident Labour backbenchers.

The most immediately attractive date then becomes March 1, St. David's Day, in Wales. A referendum on that date might be thought to have a charismatic effect for the Government, at least in Wales.

Ironically, the six-week delay between debating the Order and holding a referendum was inserted by the Tory peers, at the instigation of Lord Campbell of Croy and opposed at first by the Government.

It was conceded by the Government only when the pressure of time in the Commons forced Ministers to let certain amendments through in order to get the Bills through on time.

Disciplinary charges against Mr. Alan Thorneil, the Cowley shop steward known as the Moir, and other activists at the Austin Morris car assembly plant, are to go ahead.

The Oxford district committee of the Transport and General Workers' Union, which investigated complaints against them and recommended punishments, has rejected a plea to drop the charges.

Mr. Thorneil—the man Leyland will not accept as a deputy senior shop steward at Cowley, an office to which he was elected by ballot—is the only one of the so-called Cowley Nine to face expulsion.

Some have been recommended for removal from office for various periods, and others for censure.

Most of the nine are prominent TGWU stewards and many of them are delegates to the district committee. The unruly behaviour of some delegates at a meeting last October led to a decision by the committee to start disciplinary proceedings.

There has been a sustained campaign within the union to drop the charges. Now that the Oxford district committee has rejected a local move to stop the proceedings, the regional committee will continue with its investigation of the members' conduct.

As well as covering unruly behaviour at a committee meeting, allegations include assaults on union officials, misuse of confidential information and pursuing policies contrary to the union's official line.

Mr. Bobby Fryer, the senior shop steward and several of his deputies are among the Cowley nine.

Plans to step up production at Cowley of the Marina range, still the best-selling Leyland car, are being held up by a spate of supply problems.

One cause is the disruption of Leyland's supply lines caused by the recent strike at the radiators plant at Llanelli.

Another is that the neighbouring Steel Fishers plant at Cowley cannot supply enough body shells to meet the new programme because of engineering changes. These have been caused by the earlier decision to end one of the two night shifts on the Marina line in two factories.

Production on the other shifts and a further build-up was due on Monday, but workers have been told it has been deferred indefinitely.

LABOUR NEWS

Murray defends inter-union disputes policy

BY ALAN PIKE AND PAULINE CLARK

THE TUC would fight in the High Court to uphold its internal procedures for resolving inter-union disputes, Mr. Len Murray, general secretary, promised yesterday.

The Engineers' and Managers' Association, is challenging a TUC disputes committee decision that it cannot recruit senior staff at GEC Reactor Equipment's plant at Whetstone, near Leicester.

The case is likely to be heard this year.

Mr. Simon Petch, deputy general secretary of the EMA, told Congress it had been argued that unions should take the rough with the smooth on disputes committee awards. His association had received the rough with the rough and saw no sign of the smooth and felt it had to take a different view.

Mr. Murray replied that there was nothing to prevent an affiliated union from going to court, as the EMA was doing, though there was much against it in TUC custom and practice.

The TUC was always a very reluctant litigant, but it would fight this case to uphold the authority of Congress.

Other business dealt with during the last session of Congress yesterday:

● Motion to put pressure on the Government to set up patient abortion clinics in each Area Health Authority, to bring about full implementation of the principles of the 1967 Abortion Act.

Dr. Judith Gray, of the Medical Professions' Section of the Association of Scientific, Technical and Managerial Staffs, said that equal pay legislation was meaningless if women were forced to stop work to have unwanted children.

● A call for pressure on the Government to remove any restrictions on the mobility allowance and other relevant payments for disabled people. The proposal from Mr. Tom Parker of the National League of the Blind and Disabled was backed by Congress.

● Mr. Walter Jones of TASS, the white-collar section of the Amalgamated Union of Engineering Workers, condemned the buying of foreign ships by British Rail, foreign lorries by British Road Services, the buying of IBM computers and of Boeing aircraft, when 1.1m people were unemployed.

● A motion calling for nationalisation of the Fire Service was rejected by the General Council. Mr. Terry Parry, general secretary of the Fire Brigades Union, outlined the difficulties that had arisen in negotiations with local authority employers, over the union's claim for a 42-hour week, where taskmasters are not the pay masters.

● Mr. David Bassett's year of office as the TUC chairman ended yesterday. He is succeeded by Mr. Tom Jackson, general secretary of the Union of Post Office Workers.

● Conserving of television programmes has increased rapidly in the past four years. Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians, told delegates. He called on the TUC to monitor possible censorship in TV programmes and to consider action to protect people whose programmes were altered or suppressed.

'Survival' plea

By Ray Peman, Scottish Correspondent

HOOPER told unions yesterday that it wants to close its small factories at Hamilton and Carlin over the next six months and cut production at Cambuslang, its main Scottish manufacturing centre.

The company said that the continuing recession in the UK and export markets made it necessary to reduce output and increase productivity.

It announced a 5-point programme to achieve these aims, but emphasised that they would be reviewed at the end of October, when forecasts of demand for next year would be available.

In addition to closing the Carlin and Hamilton factories—which employ a total of 270 people—and transferring production to Cambuslang, Hooper wants to eliminate overtime and reduce output.

Unions in the plant are considering their response.

"We have British Rail buying foreign ships, British Road Services buying foreign lorries, aircraft from Boeing—all that with 1.1m unemployed."

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Unions in the plant are considering their response.

Plans for motorway extension cancelled

FINANCIAL TIMES REPORTER

THE GOVERNMENT has cancelled its plans for the extension of the M23 motorway from Hooley in Surrey to Mitcham in the London borough of Merton.

The decision was announced yesterday by Mr. William Rodgers, Transport Secretary, and follows the recommendations of a report on a study by the transport and environment departments, the GLC and Surrey County Council.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

The report recommended that planning should be done on a new A23 relief road between Hooley and Little Woodcote, major junction improvements on existing roads and traffic management schemes.

A draft scheme and order will be published soon to remove the statutory authority for the motorway route to Mitcham and for related road works to Woodmansterne. Mr. Rodgers said that a public inquiry would be held if necessary after consideration of any objections to the new scheme.

The study was commissioned to examine problems associated with the extension of the motorway at Hooley, where the southern section from Pease Pottage, Sussex, was opened in December 1974.

Pay policy 'delays' £60m canal repairs

By Rhys David and Lynton McLain

THE GOVERNMENT'S pay policy was delaying a £60m programme of urgent canal repairs, the British Waterways Board said yesterday after Government approval of the first extension of the canal network for more than 50 years.

The first £5m grant was promised by Mr. Peter Shore, the Environment Secretary, last November. The Government has refused to release the money, while the Waterways Board persists with a regrading scheme for qualified engineering staff which would raise the total salary bill above pay policy limits.

The money would have been used to boost the work load of board engineers by as much as 50 per cent. The board wanted to promote staff and raise salaries in line with the greater responsibilities.

Up to a quarter of its 3,300 employees would be affected. Jobs would be given to 200 qualified engineers and 200 direct labour staff, a move to which the Department has not objected.

The scheme approved yesterday by Mr. Shore is for £10m modernisation of the Sheffield and South Yorkshire Navigation between Doncaster and Rotherham.

The decision to support

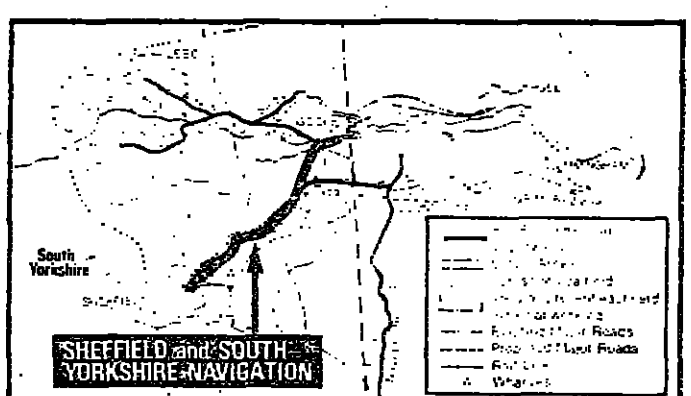
modernisation of this canal follows a vigorous local campaign for the scheme, which it is hoped will create jobs in the Don and Dearne valleys and improve the canal environment.

Department of Environment policy has been to foster use of canals, largely for leisure purposes, but the Waterways Board and South Yorkshire County Council have striven to persuade the Government that bulk cargoes from the area, including coal, steel and road stone, would be the basis of a viable traffic.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.



SHEFFIELD and SOUTH YORKSHIRE NAVIGATION

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Support has come from local companies. It is hoped that after the improvements traffic will be more than double by 1985 from its present 500,000 tons.

The main points in the scheme, backed this year by a Commons Select Committee in a report critical of Environment Department policy, are enlargement of ten locks and removal of obstructions allowing 700-ton barges to reach Mexborough, near Doncaster, and 400-ton ones to advance to Rotherham.

There are links with the Humber ports.

Ship repair service

A SHIP REPAIR and oilfield servicing complex, representing a £2m investment, was officially opened in Aberdeen yesterday by Mr. Bruce Millan, Secretary for Scotland.

The complex was built for the John Wood Group. Its principal element is a slipway with a capacity of 1,600 tonnes, designed for the survey and repair of oilfield support and supply vessels.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

There are also two repair berths with a quay frontage of 180 metres, a second slipway of 600 tonnes capacity and a two-acre open yard for fabricating and assembling medium-sized oilfield structures.

The main activities of the complex include ship surveys, damage repairs, voyage repairs, refits and modifications, diesel engine overhaul, and fabricating and assembling oilfield structures.

THE WEEK IN THE MARKETS

IT HAS BEEN a remarkable week in world equity markets. Eight of the major international stock exchanges have traded at their highest points this year and four others are within touching distance.

It is tempting to explain this multiple coincidence as the outcome of a conspiracy, or perhaps, at a time when we hear so much of the sheep-like behaviour of fund managers, of an international epidemic of institutional enthusiasm.

Closer inspection suggests that, although local conditions vary widely, a number of factors are operating simultaneously in several markets—the re-rating of second-line stocks, cautious optimism over inflation, interest rates that are low or looking to fall (Wall Street apart), slack loan demand and consequently high liquidity.

The bull phase in the Far East has been the most spectacular, with the Tokyo New SE index up 17 per cent this year despite the poor performance of a number of export-oriented sectors which are heavily weighted in its calculation.

Investors who concentrated on credit companies: pharmaceuticals, stores and constructions would have outperformed the index considerably.

Hong Kong is up over 75 per cent since January. This market

has been very closely linked to the boom in property, itself an offshoot of the increasing confidence felt in the colony that China is prepared to tolerate Hong Kong's existence beyond the expiry date of the New Territories lease.

Singapore has put on 55 per cent and still looks firm although the performance over the past six weeks or so, as in Japan, has been increasingly irregular. Here and in Malaysia higher commodity prices have greatly increased the liquidity of the banking system.

Hong Kong brokers insist their market will not collapse as it did five years ago. They maintain the growth of joint venture business—with the Chinese mainland gives the market fundamental support that was lacking in 1972-73, and point to the enormous interest in equities now being shown by the Chinese community in Hong Kong itself and throughout South-East Asia. They claim the market is considerably more sophisticated than it was, and at a nominal 40 per cent of its historic high of 1,775, the Hang Seng Index does not look overbought by Eastern standards on a yield of 3 to 3.5 and a P/E of around 18.

The Tokyo market seems to have got used to the strong yen, which has affected the relative ratings of stocks rather than the market as a whole. Japanese corporate profits are improving and the country's growth rate remains improbably high.

The Japanese budget should give some stimulus to the economy and even if loan demand were to pick up it would be unlikely to compromise the liquidity position of the stock market in the near future.

Swiss industrial stocks have offered the foreign investor handsome exchange rate gains, but have been unable to follow other major markets. The West

German bourses, however, have moved to eight-year highs over the past two months. The Commerzbank index reached a high of 833.5 on Thursday while the FAZ, at 261.04, was fractionally below its week-ago level.

Much of the buying interest in Germany has neglected the traditional leaders, so that while the market is near a historical high point blue chips such as Mannesmann and Siemens, alongside the chemical majors which have begun to wake up since the publication of first half profit figures, are 10 per cent or more below record levels.

If the blue chips, which have a heavy index weighting, were to rally, the FAZ index could easily break through its record high of 265. Chemicals are 13 per cent weighted in this index and Mannesmann alone accounts for 2.74 per cent.

The major banks are putting their smaller customers into the equity market and institutional liquidity is high. Relative periods of strength on the German market this year have been largely due to special factors such as the dividend tax reform of foreign buying, especially from the Middle East, but the most recent surge appears to reflect a better fundamental position.

German industrial orders have been picking up and the market is quietly optimistic about some improvement in GNP. The gyrations of the exchange market have come to be more or less accepted by the investment community and it would probably take a movement of 10 per cent in the dollar/mark rate, in

either direction, to affect the market adversely.

In France, the euphoria that overtook the Paris bourse after the Right-wing coalition's election victory in March has run into a barrage of rights issues. Calls for a total of FFr 1.2bn from Cie Francaise des Petroles and St. Gobain Pont a Monsson within a week of each other have made it difficult for the market to advance further.

The Bourse knows, too, that the Government will have to borrow substantially more than originally expected to meet its higher budget deficit, and the queue of prospective capital increases now stretches out to Christmas. Lafarge is probably next in line and Michelin, Perod, Matra and possibly Thomson subsidiary Cie Generale de Radiologie are rumoured to be close behind.

The main danger on the French market at the moment, however, is the retail price index. The autumn will show

prospects among many of the electronics companies. But the record of some of the big ones is distinctly mixed.

Ferranti shares, when they are listed on the Stock Exchange at the end of September, are likely to attract a considerable amount of buying interest. After all it was only three years ago that Ferranti moved into the casualty ward requiring dictating by HM Government. But since then taxable profits have climbed to £9.1m. And the group's proposal this week to form a joint electrical supply meter manufacturing company with Siemens should enhance its recent growth record.

Plessey was in a more optimistic mood this week when it announced that its order book is 25 per cent up on a year ago. Could a 14 per cent increase in profits be on the cards, perhaps

giving £48m-£50m pre-tax for the full year, stockbrokers were wondering. Only the group's loss-making consumer electronics subsidiary Garrard remains a problem and here operations are being curtailed. A massive redundancy programme was announced yesterday.

Decca, on the other hand, remains a disappointment. Perhaps reflecting a higher exposure than the others to the consumer end of the electronics market, pre-tax profits fell by 23 per cent to £12.3m in its last financial year. The group suffered losses in its television and record activities and the prospects for the current year are far from rosy.

whether the price rises that were a necessary consequence of M. Barre's "verite des prix" fairly thin selling has been enough to unnerve the market. In time, volume should tell.

Investors have been piling into French bonds on the spectacular growth, particularly in the mining sector, taken over the next quarter, enabling a further few basis points to drop in bank rate. The index has come up 23 per cent since January and looks to be gathering speed.

The Australian exchanges have come alive with excitement in the mining sector, takeover interest, heavy foreign buying and, since the budget, the prospect that the smaller budget deficit may allow interest rates to ease. Johannesburg industrial have benefited from lower money rates, tax cuts and promising company profit figures. It is gently scornful of the idea that there is an elegant global explanation for the rise. The 20 per cent up from the lows, World Index may exist, but the Canada has shown unusually sustained growth.

Chart Analysis offers a technical view of some of these markets. It maintains that Australia is showing the strongest pattern for future growth and that there are signs of more gains to come in the Far East. It feels that the German market has a strong pattern to follow a long period of sideways movement. It is more reserved about the prospect for Wall Street and for the Paris Bourse.

The chart that combines all the charts, the Capital International world index, has risen 17.1 per cent in dollar terms and 11.1 per cent on a local currency basis since the beginning of the year. This rise in a single index quantifies this bull year for world stock markets. But the world that computes it in Geneva is gently scornful of the idea that there is an elegant global explanation for the rise. The 20 per cent up from the lows, World Index may exist, but the Canada has shown unusually sustained growth.

FRANKFURT AT 8 YEAR HIGH... TOKYO THROUGH 425... SYDNEY OVER 550... HONG KONG UP 75

FINLAND... MARKETS RISE... LONDON UP 10 ON DAY... PER CENT ON YEAR..... 88397 FINTIM G

either direction, to affect the market adversely.

In France, the euphoria that overtook the Paris bourse after the Right-wing coalition's election victory in March has run into a barrage of rights issues. Calls for a total of FFr 1.2bn from Cie Francaise des Petroles and St. Gobain Pont a Monsson within a week of each other have made it difficult for the market to advance further.

The Bourse knows, too, that the Government will have to borrow substantially more than originally expected to meet its higher budget deficit, and the queue of prospective capital increases now stretches out to Christmas. Lafarge is probably next in line and Michelin, Perod, Matra and possibly Thomson subsidiary Cie Generale de Radiologie are rumoured to be close behind.

The main danger on the French market at the moment, however, is the retail price index. The autumn will show

prospects among many of the electronics companies. But the record of some of the big ones is distinctly mixed.

Ferranti shares, when they are listed on the Stock Exchange at the end of September, are likely to attract a considerable amount of buying interest. After all it was only three years ago that Ferranti moved into the casualty ward requiring dictating by HM Government. But since then taxable profits have climbed to £9.1m. And the group's proposal this week to form a joint electrical supply meter manufacturing company with Siemens should enhance its recent growth record.

Plessey was in a more optimistic mood this week when it announced that its order book is 25 per cent up on a year ago. Could a 14 per cent increase in profits be on the cards, perhaps

giving £48m-£50m pre-tax for the full year, stockbrokers were wondering. Only the group's loss-making consumer electronics subsidiary Garrard remains a problem and here operations are being curtailed. A massive redundancy programme was announced yesterday.

Decca, on the other hand, remains a disappointment. Perhaps reflecting a higher exposure than the others to the consumer end of the electronics market, pre-tax profits fell by 23 per cent to £12.3m in its last financial year. The group suffered losses in its television and record activities and the prospects for the current year are far from rosy.

whether the price rises that were a necessary consequence of M. Barre's "verite des prix" fairly thin selling has been enough to unnerve the market. In time, volume should tell.

Investors have been piling into French bonds on the spectacular growth, particularly in the mining sector, taken over the next quarter, enabling a further few basis points to drop in bank rate. The index has come up 23 per cent since January and looks to be gathering speed.

The Australian exchanges have come alive with excitement in the mining sector, takeover interest, heavy foreign buying and, since the budget, the prospect that the smaller budget deficit may allow interest rates to ease. Johannesburg industrial have benefited from lower money rates, tax cuts and promising company profit figures. It is gently scornful of the idea that there is an elegant global explanation for the rise. The 20 per cent up from the lows, World Index may exist, but the Canada has shown unusually sustained growth.

Chart Analysis offers a technical view of some of these markets. It maintains that Australia is showing the strongest pattern for future growth and that there are signs of more gains to come in the Far East. It feels that the German market has a strong pattern to follow a long period of sideways movement. It is more reserved about the prospect for Wall Street and for the Paris Bourse.

The chart that combines all the charts, the Capital International world index, has risen 17.1 per cent in dollar terms and 11.1 per cent on a local currency basis since the beginning of the year. This rise in a single index quantifies this bull year for world stock markets. But the world that computes it in Geneva is gently scornful of the idea that there is an elegant global explanation for the rise. The 20 per cent up from the lows, World Index may exist, but the Canada has shown unusually sustained growth.

FRANKFURT AT 8 YEAR HIGH... TOKYO THROUGH 425... SYDNEY OVER 550... HONG KONG UP 75

FINLAND... MARKETS RISE... LONDON UP 10 ON DAY... PER CENT ON YEAR..... 88397 FINTIM G

either direction, to affect the market adversely.

In France, the euphoria that overtook the Paris bourse after the Right-wing coalition's election victory in March has run into a barrage of rights issues. Calls for a total of FFr 1.2bn from Cie Francaise des Petroles and St. Gobain Pont a Monsson within a week of each other have made it difficult for the market to advance further.

The Bourse knows, too, that the Government will have to borrow substantially more than originally expected to meet its higher budget deficit, and the queue of prospective capital increases now stretches out to Christmas. Lafarge is probably next in line and Michelin, Perod, Matra and possibly Thomson subsidiary Cie Generale de Radiologie are rumoured to be close behind.

The main danger on the French market at the moment, however, is the retail price index. The autumn will show

prospects among many of the electronics companies. But the record of some of the big ones is distinctly mixed.

Ferranti shares, when they are listed on the Stock Exchange at the end of September, are likely to attract a considerable amount of buying interest. After all it was only three years ago that Ferranti moved into the casualty ward requiring dictating by HM Government. But since then taxable profits have climbed to £9.1m. And the group's proposal this week to form a joint electrical supply meter manufacturing company with Siemens should enhance its recent growth record.

Plessey was in a more optimistic mood this week when it announced that its order book is 25 per cent up on a year ago. Could a 14 per cent increase in profits be on the cards, perhaps

giving £48m-£50m pre-tax for the full year, stockbrokers were wondering. Only the group's loss-making consumer electronics subsidiary Garrard remains a problem and here operations are being curtailed. A massive redundancy programme was announced yesterday.

Decca, on the other hand, remains a disappointment. Perhaps reflecting a higher exposure than the others to the consumer end of the electronics market, pre-tax profits fell by 23 per cent to £12.3m in its last financial year. The group suffered losses in its television and record activities and the prospects for the current year are far from rosy.

whether the price rises that were a necessary consequence of M. Barre's "verite des prix" fairly thin selling has been enough to unnerve the market. In time, volume should tell.

Investors have been piling into French bonds on the spectacular growth, particularly in the mining sector, taken over the next quarter, enabling a further few basis points to drop in bank rate. The index has come up 23 per cent since January and looks to be gathering speed.

A sense of relief for shares

The London market was suffering from election jitters until Mr. Callaghan's surprise "no election" statement on Thursday. But with the uncertainties out of the way, at least for the moment, a sense of relief overtook the market yesterday and by lunchtime the FT 30 Share Index was 9.3 points higher before settling back a point to close at 317.0—19 points up for the week.

ICI's second quarter results this week give grounds for cautious optimism. Compared with last year profits are 17 per cent lower but they are 24 per cent up on the previous quarter and double the output Lord Inchcape, the group's chairman, has also become chief executive.

It looks as if ICI is over the worst in terms of the world chemical recession and it is not

before time. In the first half of last year ICI's profits were bounding ahead. However, in the third quarter of last year ICI's profits suffered a severe setback as volume dropped by a dramatic 7 per cent and over the next two quarters there was little improvement.

As the chemical industry is highly sensitive to slight movements in volume and prices, ICI has been suffering along with most of the other major world chemical giants.

However, there are at last signs of a modest recovery in sales volume and a slight firming of profit margins. On pre-tax profits ICI should be capable of making £500m in a full year (against £483m last year). This is a far cry from the £750m some analysts were predicting 18 months ago but it is better than some of the gloomy predictions at the turn of the year.

P & O announced predictably last week interim results this week but raised eyebrows with the accompanying disclosure that quarter and double the output Lord Inchcape, the group's chairman, has also become chief executive.

The official line is that the worst in terms of the world chemical recession and it is not

board's desire for closer personal involvement during a difficult period, it was not, the company says, a snub for managing director, Mr. Sandy Marshall, who not only retains his position but is freed "to supervise and co-ordinate the company's operations."

In his address to shareholders two months ago Lord Inchcape reiterated to 1977 as a difficult year and praised "the amount and quality of management

effort which contributed to securing a pre-tax profit of some £43m." On Wednesday the group announced a pre-tax profit of £112m for the first six months of 1978 compared with £26.9m for the same period a year ago. The interest charge rose by £3.6m to £17m, the bulk shipping division went further into the red and pre-interest profits of the general cargo business slumped from £21.8m to £9m. On the other hand, the Bovis business and the passenger cruise side have posted improved performances.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

Lord Inchcape earlier this year sounded warnings about the group's half-year figures which have been attributed to problems created by the four-year shipping recession. It insulated itself from the worst of the tanker slump through its policy of securing long-term charters for much of its fleet. As these charters run off it is taking on less profitable business and while its diversification moves help, non-shipping activities are still only a small part of overall operations.

The market was surprised this week when Sun Alliance and London Insurance revealed its results for the six months to the end of June. For they reflect the fact that on its underwriting, the company has been going through a very rough patch indeed. After an underwriting loss of £10.5m half time profits are down from £30.4m to £20.7m and the shares immediately shed 34p to 534p.

The worst of Sun Alliance's problems centre on its UK household and motor insurance business. In respect of the latter it has run up against exactly the same problems which beset its competitors (including Phoenix and GRE, which also reported this week): a big increase in the number of claims, variously attributed to last winter's dismal weather, and the fact that the petrol price is so low in relation to earnings that car owners are driving too much for the motor insurers' peace of mind. In respect of the former, the problems are more intractable.

Sun goes down Sun Alliance has a large share of the UK market for household insurance, and has suffered accordingly from the vagaries of the weather over the past three years. First it was subsidence; then it was floods; then it was storms. But coping with such a series of exceptions is all part of the insurers' trade. It has been the fact that most households are grossly under-insured that has created the real difficulties.

Meanwhile, hopes for the second half rest on some improvement in Europe—and the mercy of the elements.

Growth stocks—or those companies whose profits rise at a spectacular rate—are all the rage in the stock market. And punters see plenty of growth

stock market indices such as the American Stock Exchange Composite Index which hit a new high on Thursday, that on Friday morning another and more vigorous assault began.

Spurred on by the most encouraging inflation news for many months, the announcement that for the first time in two years there had been in August a monthly decline in wholesale prices, the market stormed ahead. The nuances of the news, specifically that the bulk of the one month decline was due to a fall in consumer food prices, was lost in a flurry of excitement.

A tougher approach to government spending, a delay in the increase in the social security tax and a decision not to try and press for mandatory wage and price controls but merely to simplify the existing voluntary guidelines system and be a bit more heavy handed when it comes to jawboning, is the best Wall Street can hope for. Whether it will, if this is the plan which emerges, do much for the fight against inflation in the short term, is just another of the more sophisticated economic arguments which investors in stocks are determined

to ignore for the time being. Others include the evidence of continuing strength in the housing market, car sales and consumer debt demands. If these indicators also suggest that the economy is stronger than some analysts are prepared to concede and likely to continue that way, then the fight against inflation will be tougher too and interest rates have further to rise. Already some analysts who are sticking to the forecast that interest rates will peak later this year are saying that the peak will be higher than they had been expecting—a prime rate of 10 per cent is not out.

But with investors counting profits from this year's operations so far, the amateur investor showing signs of being attracted into the market again—albeit by an increasingly unhealthy speculative fever in gambling stocks—and share prices still cheap in historical terms, it will take some horrifying political or economic news to sink the market now.

CLOSING PRICES

	Monday	Tuesday	Wednesday	Thursday	Friday
Close	886.61	886.61	886.61	886.61	886.61
Change	+7.28	+7.28	+7.28	+7.28	+7.28
Public	895.79	895.79	895.79	895.79	895.79
Change	+9.18	+9.18	+9.18	+9.18	+9.18
Public	907.74	907.74	907.74	907.74	907.74
Change	+14.03	+14.03	+14.03	+14.03	+14.03

stock market indices such as the American Stock Exchange Composite Index which hit a new high on Thursday, that on Friday morning another and more vigorous assault began.

Spurred on by the most encouraging inflation news for many months, the announcement that for the first time in two years there had been in August a monthly decline in wholesale prices, the market stormed ahead. The nuances of the news, specifically that the bulk of the one month decline was due to a fall in consumer food prices, was lost in a flurry of excitement.

The market was surprised this week when Sun Alliance and London Insurance revealed its results for the six months to the end of June. For they reflect the fact that on its underwriting, the company has been going through a very rough patch indeed. After an underwriting loss of £10.5m half time profits are down from £30.4m to £20.7m and the shares immediately shed 34p to 534p.

The worst of Sun Alliance's problems centre on its UK household and motor insurance business. In respect of the latter it has run up against exactly the same problems which beset its competitors (including Phoenix and GRE, which also reported this week): a big increase in the number of claims, variously attributed to last winter's dismal weather, and the fact that the petrol price is so low in relation to earnings that car owners are driving too much for the motor insurers' peace of mind. In respect of the former, the problems are more intractable.

Sun goes down Sun Alliance has a large share of the UK market for household insurance, and has suffered accordingly from the vagaries of the weather over the past three years. First it was subsidence; then it was floods; then it was storms. But coping with such a series of exceptions is all part of the insurers' trade. It has been the fact that most households are grossly under-insured that has created the real difficulties.

Meanwhile, hopes for the second half rest on some improvement in Europe—and the mercy of the elements.

Growth stocks—or those companies whose profits rise at a spectacular rate—are all the rage in the stock market. And punters see plenty of growth

stock market indices such as the American Stock Exchange Composite Index which hit a new high on Thursday, that on Friday morning another and more vigorous assault began.

Spurred on by the most encouraging inflation news for many months, the announcement that for the first time in two years there had been in August a monthly decline in wholesale prices, the market stormed ahead. The nuances of the news, specifically that the bulk of the one month decline was due to a fall in consumer food prices, was lost in a flurry of excitement.

A tougher approach to government spending, a delay in the increase in the social security tax and a decision not to try and press for mandatory wage and price controls but merely to simplify the existing voluntary guidelines system and be a bit more heavy handed when it comes to jawboning, is the best Wall Street can hope for. Whether it will, if this is the plan which emerges, do much for the fight against inflation in the short term, is just another of the more sophisticated economic arguments which investors in stocks are determined

to ignore for the time being. Others include the evidence of continuing strength in the housing market, car sales and consumer debt demands. If these indicators also suggest that the economy is stronger than some analysts are prepared to concede and likely to continue that way, then the fight against inflation will be tougher too and interest rates have further to rise. Already some analysts who are sticking to the forecast that interest rates will peak later this year are saying that the peak will be higher than they had been expecting—a prime rate of 10 per cent is not out.

But with investors counting profits from this year's operations so far, the amateur investor showing signs of being attracted into the market again—albeit by an increasingly unhealthy speculative fever in gambling stocks—and share prices still cheap in historical terms, it will take some horrifying political or economic news to sink the market now.

CLOSING PRICES

	Monday	Tuesday	Wednesday	Thursday	Friday
Close	886.61	886.61	886.61	886.61	886.61
Change	+7.28	+7.28	+7.28	+7.28	+7.28
Public	895.79	895.79	895.79	895.79	895.79
Change	+9.18	+9.18	+9.18	+9.18	+9.18
Public	907.74	907.74	907.74	907.74	907.74
Change	+14.03	+14.03	+14.03	+14.03	+14.03

stock market indices such as the American Stock Exchange Composite Index which hit a new high on Thursday, that on Friday morning another and more vigorous assault began.

Spurred on by the most encouraging inflation news for many months, the announcement that for the first time in two years there had been in August a monthly decline in wholesale prices, the market stormed ahead. The nuances of the news, specifically that the bulk of the one month decline was due to a fall in consumer food prices, was lost in a flurry of excitement.

The market was surprised this week when Sun Alliance and London Insurance revealed its results for the six months to the end of June. For they reflect the fact that on its underwriting, the company has been going through a very rough patch indeed. After an underwriting loss of £10.5m half time profits are down from £30.4m to £20.7m and the shares immediately shed 34p to 534p.

The worst of Sun Alliance's problems centre on its UK household and motor insurance business. In respect of the latter it has run up against exactly the same problems which beset its competitors (including Phoenix and GRE, which also reported this week): a big increase in the number of claims, variously attributed to last winter's dismal weather, and the fact that the petrol price is so low in relation to earnings that car owners are driving too much for the motor insurers' peace of mind. In respect of the former, the problems are more intractable.

Sun goes down Sun Alliance has a large share of the UK market for household insurance, and has suffered accordingly from the vagaries of the weather over the past three years. First it was subsidence; then it was floods; then it was storms. But coping with such a series of exceptions is all part of the insurers' trade. It has been the fact that most households are grossly under-insured that has created the real difficulties.

Meanwhile, hopes for the second half rest on some improvement in Europe—and the mercy of the elements.

Growth stocks—or those companies whose profits rise at a spectacular rate—are all the rage in the stock market. And punters see plenty of growth

stock market indices such as the American Stock Exchange Composite Index which hit a new high on Thursday, that on Friday morning another and more vigorous assault began.

Spurred on by the most encouraging inflation news for many months, the announcement that for the first time in two years there had been in August a monthly decline in wholesale prices, the market stormed ahead. The nuances of the news, specifically that the bulk of the one month decline was due to a fall in consumer food prices, was lost in a flurry of excitement.

FINANCE AND THE FAMILY

Setting aside a transfer

BY OUR LEGAL STAFF

My husband has told me that he proposes to live apart from me. The house in which we live was left to me by my father, though my husband has improved it somewhat and paid all the outgoings. What would be my position if he did leave me and later obtained a divorce? Could he have any claim on the house? If so, is there any way in the meantime whereby I can transfer the house to my children to protect their inheritance?

Your husband could make a claim to an interest in your house, but it is doubtful if such a claim would be upheld. If you transfer the property to escape the jurisdiction of the Family Division, that transfer may be set aside. However it might be desirable for you to consider making a declaration of trust in which case you should consult a solicitor.

Negligence of garage

My son has an old car, which failed its MOT certificate and was left at the garage for the necessary work to be done, during which time severe frosts cracked the cylinder block. The garage is asking for payment for repairs to the cylinder block, but we contest this on the grounds that they did not put in anti-freeze when installing the new engine and that the damage was done while the car was in their care. What is your view?

We think that your son may well be able to establish a claim in negligence against the garage for its failure to use antifreeze

and so not be liable for the repair cost. It is however unlikely that there would be any basis for such a claim in the fact that the car was in the care of the garage—as nearly all garages expressly exclude such liability in the terms of their contracts.

Retirement to Hong Kong

I am proposing to retire to Hong Kong, where as soon as I reach age 65, I shall be entitled to the State pension and to one from my firm. Could you say how much money I can take out, what my tax position will be and whether I could draw my pensions there?

You can take up to £40,000 out of the country. You would be liable to UK tax on any income drawn from the UK except in so far as it were taxed in Hong Kong. You could draw your pensions in Hong Kong.

Tenancy for a grandchild

I own a house which was given to me to retire to, and I have let it in the meantime. Now the tenant, aged 86, wants to have her newly wed grandson join her there. Could I ever obtain possession when I retire, should the grandchildren be living there? Can the present tenant by-pass a generation in this way?

If you have not yourself occupied the house as your residence you will not be entitled as of right to obtain possession of it when you wish

to live there. However, the Court has a discretion to make an order for possession in your favour if you wish to reside there. It would be wise to write to the tenant advising her that you wish to live there in due course. The Rent Act does not prevent transmission of a tenancy to a grandchild: it is a question of fact in each case if the person is a member of the tenant's family; but grandchildren have been held to fall within the term.

A noisy neighbour

Next door to my mother's terraced house is an empty house owned by a man who uses it at weekends as a workshop. He then is hanging and drilling with high-powered electric drills, sometimes until very late at night. Have we any redress?

There are a number of remedies open to you, under the law of nuisance and statutory control of noise, for example. However, your best course is probably to approach the Environmental Officer at your local authority and possibly the Planning Department there as well.

Tax relief and CCT

As executor of my late father's will I borrowed some money in June 1977 from my bank, to pay the estimated capital transfer tax on his estate in 1977-78 tax return I claimed relief of income tax on the interest I had to pay the bank

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered, by post, as soon as possible.

for the loan but the tax authorities have made no allowance for this. Can tax relief not be claimed in these circumstances?

What you have in mind is paragraph 17 of schedule 1 to the Finance Act 1974, as amended (for CCT) by paragraph 19(2) of schedule 22 to the Finance Act 1975. To see what the rules are, you should ask your inspector for a copy of the free booklet IR11 (with an updating supplement), and look at section IIID on page 19.

An asset under land

In March 1976 I was bequeathed a house by the will of an aunt in which I was also appointed the sole executrix. A grant of probate was obtained by personal application to a District Judge at Registry and the estate realised and distributed among the persons entitled to share in it, with the exception of the house into my name. As I am now proposing to sell the property, could you tell me what legal process, if any, is required to give me title to sell?

It is preferable for you to execute an assent under hand in favour of yourself, as the distribution which has already been made of the rest of the estate may preclude you from selling as personal representative. You can obtain a precedent of an ordinary assent from any standard precedent book e.g. Kelly's Draftsman.

That lubricating embrace

AN ARTICLE costing £3.10 and reduced to £1.85 in a super-market would be a special offer. But trying to offer £1.85 for an article worth £3.10 would probably prompt the retailer that the discount is excessive.

If the currency denominations are changed and the mind stretched to think in billions, there is the Standard Oil of California-Amex takeover situation in a nutshell.

Amex this week rejected overtures from Social. The oil company's offer values Amex at \$1.85bn (£954.8m) while Amex calculates its assets as worth more than \$3.1bn. A higher and more definite offer might be forthcoming, in which case Wall Street might see another titanic takeover struggle. And London will not be a mere bystander.

Selection Trust has 8.3 per cent of Amex and its shares responded on Thursday with a rise of 29p to 495p. Yesterday they closed at 500p.

Social's interest in Amex is no surprise. Amex had already surrendered to what Mr. Ronald Fraser of Hudson Bay Mining and Smelting once called "the lubricating if not lubricious embrace" of the oil company.

Social's stake, bought in 1975, is 20 per cent. Cash rich and looking for diversification into related fields, the major oil groups have increasingly turned their attention to mineral groups. By any standards Amex is a worthwhile asset with an income based on molybdenum, the so-called space-age metal, and interests spreading through coal, oil and gas to base metals and forestry.

But the oil groups are also interested in joint ventures. In Australia, Western Mining Corporation has already worked out a deal with Exxon for the Yeelirrie uranium deposit. It is now deafeningly whispered that another deal with a different group will soon be announced for the Roxby Downs copper-uranium prospect.

The whispers have helped to keep the WMC share price strong in a very firm Australian mining market. Yesterday it was at a year's high of 161p for a gain on the week of 18p.

In the second half of the week it looked as if the market was pausing for breath. There had been some profit-taking, although the general tone suggested that the bull phase still had some way to run. One of the reasons for the profit-taking was the tinge of

uncertainty about both diamonds and uranium.

Conzinc Rietveld of Australia, the Melbourne-based unit of the Rio Tinto-Zinc group and the leader of the Ashton diamond exploration venture, produced a report on the latest prospects and, with that out of the way, the chances of further fresh information before next month to boost a market living on promises diminished. It seemed a good time to cash in.

CRA's report, although it enhanced the group's reputa-

diamond stocks. Northern Mining fell 10p on Thursday and 7p on Friday to finish the week at 123p.

The movement of Australian uranium shares, on the other hand, has been linked to political movements and whether Mr. Malcolm Fraser, the Prime Minister, could persuade the Northern Land Council, a statutory body set up to represent Aboriginal interests, formally to sign an agreement on the conditions for the development of the Ranger deposit.

The Northern Land Council's attitude seemed to be changing daily. First it would sign. Then it would not. Yesterday Mr. Galarrwuy Yunupingu, the Council chairman, was saying he would recommend signature, following a little persuasion from Mr. Fraser. So the Peko-Wallend share price steadied to 570p. EZ Industries climbed to 295p. The two groups are the Ranger joint ventures.

But the final word has probably not been spoken. The Northern Land Council meets next week. The position has become complicated because Mr. Yunupingu has linked the Ranger agreement to a demand that the Government should hold back on the development of the Jabiluka deposit.

The two deposits are near each other, but while Ranger is simply in an Aboriginal land reserve, Jabiluka's development by Pancontinental Mining could impinge on sacred Aboriginal

ground. Thus Mr. Yunupingu has wanted the Government to withdraw its permission for Pancontinental to extend the Arnhem Highway.

The Government has been prepared to pay this price to see Ranger construction started in the current dry season, only a few weeks of which remain. Yesterday it agreed with Mr. Yunupingu that there should be no road construction before a final decision is taken on whether Jabiluka should be mined.

Ideally the Aboriginals would like to see the Nabarlek deposit of Queensland Mines developed first. It is a small deposit and the effects of mining on the local environment could easily be monitored. With Koongarra, owned by Noranda, this makes a total of four deposits discovered in the Alligator Rivers Region in areas considered geologically best suited for uranium.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

MINING

PAUL CHEESERIGHT

tion for caution, was generally interpreted bullishly. Testing of samples had resulted in the recovery of 173 carats of diamonds, the largest of which was 3.3 carats, but the quality of the stones, whether they are gem or industrial, was not known.

The diamonds had, in any case, come from near the surface. So far CRA has confirmed the presence of 26 kimberlite pipes—the geological formation which could hold diamonds—covering a surface area of 599 hectares.

CRA shares started to sag on Thursday, falling 12 to 324p, and then slipped a further 6p to 318p yesterday. With them they took Northern Mining, a junior Ashton partner and one of the actively traded small

impinge on sacred Aboriginal ground. Thus Mr. Yunupingu has wanted the Government to withdraw its permission for Pancontinental to extend the Arnhem Highway.

The Government has been prepared to pay this price to see Ranger construction started in the current dry season, only a few weeks of which remain. Yesterday it agreed with Mr. Yunupingu that there should be no road construction before a final decision is taken on whether Jabiluka should be mined.

Ideally the Aboriginals would like to see the Nabarlek deposit of Queensland Mines developed first. It is a small deposit and the effects of mining on the local environment could easily be monitored. With Koongarra, owned by Noranda, this makes a total of four deposits discovered in the Alligator Rivers Region in areas considered geologically best suited for uranium.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

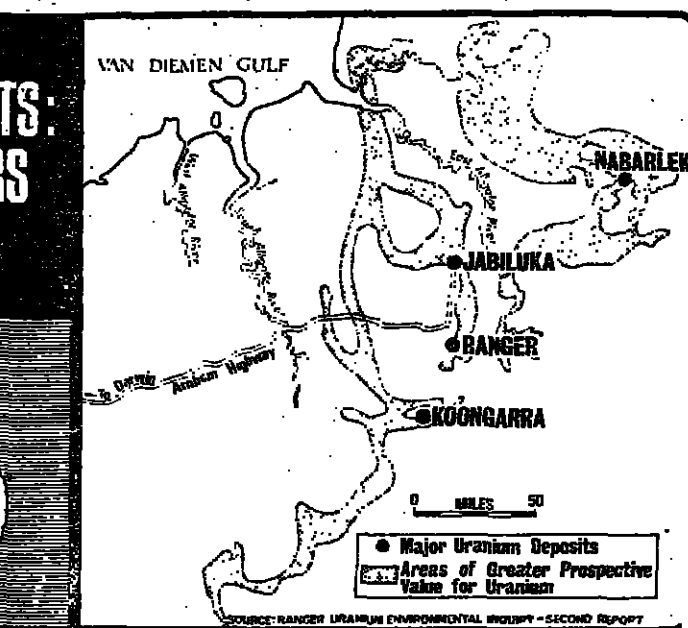
These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.

These uranium and diamond developments have diverted the market's attention from South African gold shares. Little encouragement was drawn from the latest International Monetary Fund bullion auction where the selling price was \$213.50 an ounce—firmly in the current trading range—because the number of bids dropped from previous auctions.



Working from home

Sometime, it is suggested, developments in communications will take place in the coming years which could result in an increasing number of people being able to work from home—instead of commuting each day to an office.

While traditionalists may have their doubts, and wonder whether everybody would have sufficient self-discipline to be able to operate from home, there are already plenty of people working on either a full-time or part-time basis from home.

Apart from the increasing numbers of genuine self-employed, there are plenty of salesmen, taxed on both a Schedule E and Schedule D basis, who work from home. Of those with full-time jobs, some also either act as independent consultants, or have part-time

money-making occupations of some kind which are run from their homes.

From the insurance point of

INSURANCE

PHILIP KNOWLES

view, a number of points need to be watched. Firstly, where working from home is a material fact, the respective insurers must be advised. For instance, in issuing a household insurance policy, insurers do not usually expect a business to be carried on from the house. That, however, does not necessarily make it a worse risk, and

in many cases, there is unlikely to be any increase in the rate of premium. In fact, where somebody is working full-time at home, it can be argued that the risk is very much better than if the house was regularly left unoccupied for a relatively long period during the day. After all, many of the thefts occur during the latter part of the afternoon—from houses where the family is at work, shopping, collecting the children from school, etc.

Quite apart from the fact that one or more rooms in a house may be used as an office or workshop in connection with a business, the contents may be rather different from those found in a house used solely for residential purposes.

Dependent on the degree of sophistication, there may be a

certain amount of quite expensive office equipment, including telephone answering machine, etc. Whether this is owned outright, leased, or rented from the Post Office, almost certainly one will be responsible for it, and it is important to make sure that adequate insurance is in force. Sometimes, it may be sensible to have rather wider cover than applies under the normal household policy; some insurers will give all risks cover on such equipment—subject to a reasonable excess. A higher rate of premium may well have to be paid for equipment which is taken out of the house, such as a portable dictating machine, etc.

Where a large amount of business equipment is involved, it may be a good plan either to specify it separately, or, at least, to allocate a sum insured to it which is quite separate from the normal contents of the house. Apart from clarifying the position for the insurers, it is easier to arrive at the amount of premium which is an expense of the business, and can be charged to the business account.

The liability sections of a household policy are particularly important. If anybody is employed in connection with the business, albeit on a distinctly part-time basis, it is a statutory requirement for employer's liability insurance to be in force. This ensures that, if such an employee should be injured as a result of one's negligence, compensation will be forthcoming. Don't be alarmed by the fact that the law requires this liability to be insured for a minimum of £2m. Normally, insurers provide cover without any limit of liability, and the premium is very much dependent on the risk involved.

Although it is not a statutory requirement to insure one's liability towards close relations working for one, it is sensible to take this precaution, since they have the same right to claim for personal injury—in just the same way that a wife who is injured in a car driven by her husband, due to his negligence, can claim against him.

Where the amount of employed help is quite small, the household insurers may be prepared to extend the third party section of the policy, and to provide the statutory certificate of insurance, which must be displayed where anybody covered by the insurance is employed.

Another point to be borne in mind by anyone working from home is that the third party section of the household policy should be extended, so that there will be cover for liability towards visitors, even though they may have called in connection with the business.

Most household policies also include a personal liability section, to cover one's liability for accidents unconnected with the house. While such an extension normally specifically excludes liability in connection with a business, trade or vocation, it is worth making sure that there would be cover for an accident for which one was liable if, say, one was simply on one's way to a business meeting.

CITY OF WESTMINSTER ASSURANCE

Now is the time to think 'Property'

There is no substitute for Property as an investment offering long-term security and the capacity to outpace inflation.

An investment in prime commercial and industrial property—offices, shops, factories and warehouses—is indispensable to anyone who wishes to create a fundamentally well-balanced portfolio.

Such property is essential to the industrial and commercial life of the country and, as such, it enjoys a unique capacity to maintain its real value in spite of monetary inflation.

However, for most investors the only way to obtain a well-spread portfolio of

direct investments in property is through a property bond.

City of Westminster Assurance started the property bond movement and therefore has more experience in this area than anybody else. The Westminster Property Bond has also shown the steady growth sought by investors and comfortably outperformed the Money Management Property Bond Index.

The Bond also has life insurance cover and valuable income benefits to high rate tax payers.

For more information, contact your insurance broker or write to us for a free copy of the latest Annual Report on the Westminster Property Fund.



A SENTRY INSURANCE GROUP COMPANY
Sentry House, 56 Leadenhall Street, London EC3A 2BJ

BUILDING AND CIVIL ENGINEERING

The Building and Civil Engineering page is published in the Financial Times every Monday and carries news items relating to contracts and important developments in the Construction Industry.

For details of the advertising space available on the page each week, and costs, you are invited to telephone 01-248 8000, Ext. 360 or write to:

THE ADVERTISEMENT DIRECTOR
Financial Times
10 Cannon Street
London EC4A 4BY

A BONUS for savers who aren't spenders

If you can put money aside for 2 or 3 years without touching it, we'll pay you more for it.

We can't fix the rate of return you get, but we can guarantee that your savings will earn 0.5% more than the Share Account rate for 2-year Bondshares, and 1.0% more for 3-year Bondshares.

1% adds up to a very nice bonus for you, and naturally you still get the big Building Society security. What could be more reassuring?

The minimum investment is £500, the maximum £15,000 (£30,000 for joint accounts).

Interest is paid out at 6-monthly intervals.

For further details, call in at your nearest Abbey National branch.

Alternatively, fill in the coupon and simply enclose your cheque.

We'll organise all the necessary paperwork for you. You just wait for pay-day.

Current Bondshare rates	When income tax is paid at a basic rate of 33%.
2-year term 7.20% p.a.	10.75% p.a.
3-year term 7.70% p.a.	11.49% p.a.

To: Dept. B.S., Abbey National Building Society, FREEPOST, Baker Street, London NW1 6XH.

I/We enclose a cheque, numbered _____ value £ _____ to be invested in Abbey National Bondshares for the period indicated.

2-YEAR ☐ 3-YEAR ☐ Tick appropriate box

I/We understand that my/our interest will be paid out at 6-monthly intervals, and that the investment cannot be withdrawn earlier than the stipulated period, except in the case of my/our death(s).

FULL NAME(S) _____

ADDRESS _____

DATE _____

SIGNATURE(S) _____

FT10



ABBAY NATIONAL BONDSHARES

Schlesinger
EXTRA INCOME TRUST

HOW TO SPEND IT

by Lucia van der Post

Cooking for friends

Simply Extravagant part. The emphasis, as she says herself, is on informality. "Your friends have come to see you, not to give marks for the excellence or otherwise of your cooking, or to write notes on the wine for The Good Food Guide."

THE major casualty of the continual rises in the cost of food is entertaining at home. Since sharing a meal with friends is one of life's great pleasures it seems sad that most people are now able to do it less and less often. Any book that helps propagate the notion that entertaining can still be done without breaking the bank and that deliciousness doesn't have to be equated with expensive, gets a big welcome from me.

Pru Leith, justifiably famous for founding both her own restaurant, Leiths, and her own cookery school, has just brought out a book dedicated to conviviality. Called simply, *Cooking for Friends*, it is divided into three main sections—Cheap, Not so Cheap, and, for high days and holidays, And Simply Extravagant.

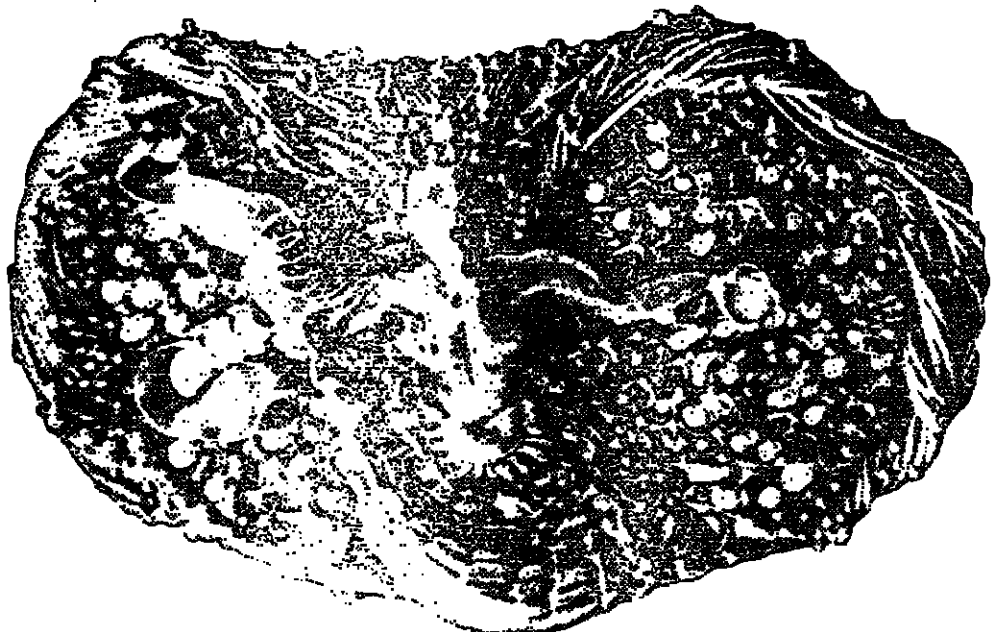
What is heartening is that I am at least as attracted to the food in the Cheap section as I am to the food in the And Simply Extravagant.

At a party to launch the book a vast crowd were very amiably fed on food which came exclusively from the Cheap and Not so Cheap sections and quite delicious it was, too.

A fresh tomato and mozzarella salad to start with, followed by Pancake Pie (much less stodgy than it sounds, consisting as it does of layers of thinnest of pancakes, nicely-flavoured minced meat and topped with sour cream) and finishing with the freshest of puddings—Green Summer Pears (pears cooked in a mint and lime-flavoured syrup).

Almost all the recipes sound marvellous. I shall certainly be trying a lot of them myself and if you want to see more of your friends but want to do it as effortlessly and painlessly as possible, *Cooking for Friends* will help you do just that.

Published by Hamlyn in two weeks' time, with some excellent drawings by Robin Laurie, it is £5.95.



Golden Gargoyles

I DON'T expect Mitchell native America through almost every continent including Africa and the Philippines. Now he does has so distinctive a style that most people react very strongly to it. All of us in this office happened to love it. It has about it something of the strength of feeling that is to be found in primitive art. He is much fascinated by the directness and energy to be found in the art of Africa, Central and South America, Asia and pre-Christian Europe and if you have spent the last two years making carved heads that adorn most of his pieces, their influence is clear.

Mitchel Nugent is primarily a sculptor and the most arresting thing about his jewellery is the immense detail and skill that goes into the carving of the little heads. Because he carves in wax from which castings are later taken the detail is vital. Although he uses primitive art as his inspiration he manages to use it in a most sophisticated way. He uses only precious metals (silver and gold) and the work is sometimes embellished with precious and semi-precious stones.

Everything he does he makes himself. He carves the wax, takes the castings (in order to learn to do this properly he took a three-month course in Centrifugal Casting at the Sir John Cass School of Art), he mounts and he threads. He is widely travelled, from his

office in London, W.1, to his home in a cottage in Wales where he hopes to settle and make a living as a jeweller. Electrum Gallery, 21, South Molton Street, London, W.1, has about it something of the strength of feeling that is to be found in primitive art. He is much fascinated by the directness and energy to be found in the art of Africa, Central and South America, Asia and pre-Christian Europe and if you have spent the last two years making carved heads that adorn most of his pieces, their influence is clear.

Photographed and sketched here is a small collection of his work. Above is a stunning mermaid belt buckle—a great holding a moonstone in one hand—£220.

Drawn right are a necklace and a pair of earrings. Look closely at the necklace and see the quality of workmanship in the little sayer faces that adorn it—each of them is in 18 carat gold and set between them are cultured black pearls. (very rare and beautiful), as well as amethyst and opals. £750. The earrings, too, are of 18 carat gold and are set with tourmalines. £520.

Swing time

MANY'S THE time I've left an attractive-looking gadget and something to cook on the stove makes a marvellous small and forgotten all about it until present. There is a choice of a nasty smell of burning served two colour-combinations—ivory to remind me of what might with a black cord or orange with have been. The obvious an ivory cord. It is in many answer is a new little device, good-class kitchen departments very like the automatic timers like Selfridges now, and in on cookers, but in this case Harrods by the middle of next attached to a rope so that it can week. It is £5.95. If you want be worn round the neck, allow- it to buy it by mail you can buy ing one to get on with some- it for £6.11 inclusive of postage thing else without fear of and packing from Terrailon, forgetfulness. Made by the Sittingbourne Industrial Park, French firm of Terrailon it is Sittingbourne, Kent.



Scare the muggers

TALKING about "personal until they're home. hazard alarms" sounds rather. A device that could help give alarmist until one actually looks them some added protection is at the increase in the numbers one of these so-called "personal of muggings and personal hazard alarms." About the size attacks that now take place of a cigarette lighter, 4 inches daily. Gradually more and by 1 inches in diameter, it can more incidents involving people be easily carried and if in known to me personally have danger. Its owner simply come to my notice and I cannot press the activator which then believe that my friends and emit an ear-splitting shriek of acquaintances are an unpre- up to 110 decibels—this is sentative lot. It really is now usually enough to frighten off a problem and certainly when most attackers. It costs £2.50 (or £3.00 with a night, which most young people neck pouch) and can be bought have to do at some time or direct from Elgon Ltd., 69, another, I'm never at ease Silvertown Way, London, E16.

Learn to patch

THE interest of readers in patchwork seems to continue with unabated enthusiasm—some like buying it, others seem eager to do it themselves. Those of you who are not sufficiently experienced or confident to be able to embark on patchwork on your own might like to know of some courses in American patchwork being run at 21, Chalk Farm Road, London, N.W.1.

Chalk Farm is an interesting part of London, surrounded by scruffy but very up-and-coming (or, some would say, up-and-come) antique shops of which 21 Antiques, the home of the patchwork classes and run by the same person who runs the classes, is one of the most desirable.

Joen Zinn Lask is an American who has a degree in Clothing and Textile Design from the Carnegie Institute of

Technology in Pittsburgh and who has taught sewing, art and Interior Decoration in the U.S., as well as American patchwork Quilting in Britain. She reckons she's taught some 1200 women and quite a few men in her time.

She likes to make the work as easy and uncomplicated as possible and she finds lots of her pupils like the atmosphere of a class as much for the exchange of ideas and experience as for anything else.

Anybody interested in joining the course—which covers the early history of patchwork as well as techniques and patterns and during which each student designs and makes a patchwork cushion cover—could join the basic three-day course. The price is £12.00 and there are three starting dates coming up—September 11, September 19 and October 3 (tuition held between 11 a.m. and 1 p.m. during all courses). Alternatively, there's an evening course starting on October 2 (from 6.30 to 8.30 p.m.). Write to Joen Zinn Lask for further information at 21 Antiques, 21 Chalk Farm Road, London, N.W.1.



VASES used to be synonymous with all those very expensive cut-crystal containers one was given as wedding-presents which seemed to be designed for tortuous arrangements of gladioli, chrysanthemums, irises and all those other rather formal flowers beloved of flower-arrangers. Those sorts of vases never seemed to fit into my rather informal household and yet I love nothing more than great bunches of flowers everywhere.

Simply perfect

The answer used to be just plain but flattering cylinders in either plastic or plain coloured porcelain. Frank Thrower of Dartington Glass has recently provided the lover of large flowers with an equally usable design—a group of three different styles of large

glass containers, all made by hand. These containers would look good whether placed on the floor and filled with branches, dried flowers or tall cut flowers or on a hall chest or entrance table. They differ little in height (from 28 cm to 29 cm) but there are three different styles and four colours—smoke, amber, green, jetblack as well as clear glass. Prices are from £6.95 to £8.50 and they are available from most Dartington Glass stockists.

glass containers, all made by hand. These containers would look good whether placed on the floor and filled with branches, dried flowers or tall cut flowers or on a hall chest or entrance table. They differ little in height (from 28 cm to 29 cm) but there are three different styles and four colours—smoke, amber, green, jetblack as well as clear glass. Prices are from £6.95 to £8.50 and they are available from most Dartington Glass stockists.

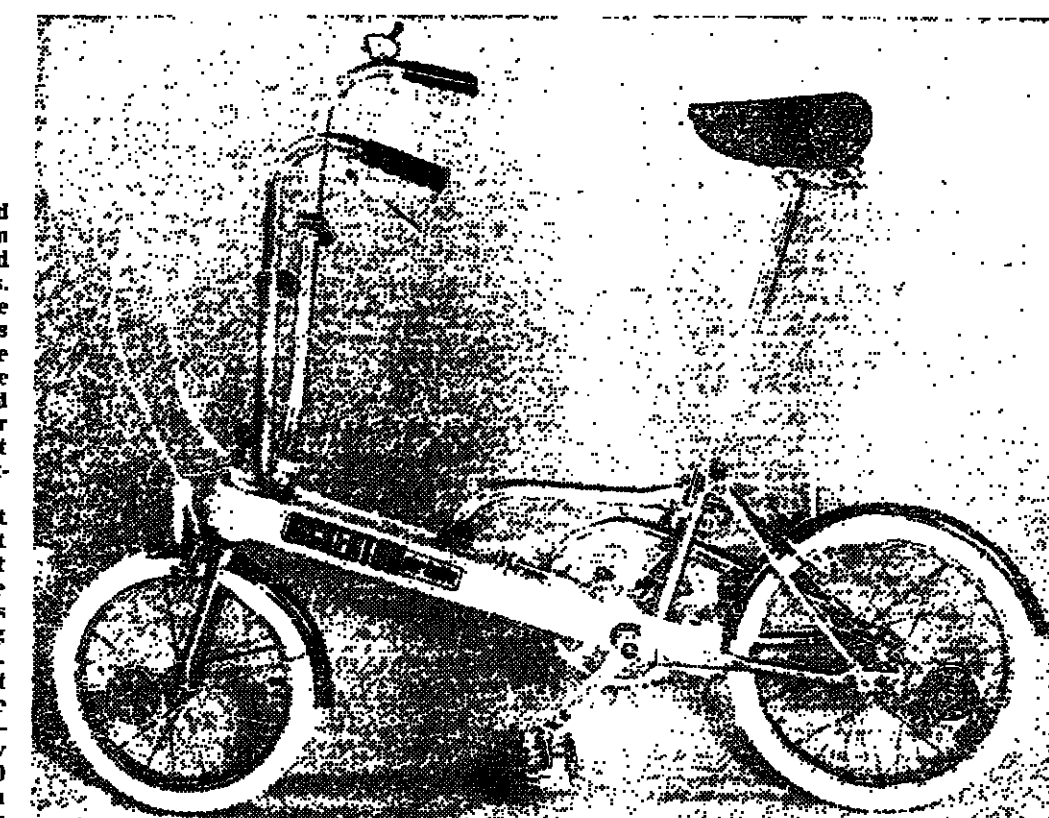
Travelling light

LIVING close to a large and lovely common as I do, I am beginning to feel more and more guilty at my slothful ways. You can hardly walk on the common nowadays for joggers and those who aren't jogging are cycling. I haven't yet been made to feel so guilty that I've joined them but the day can't be far off. One thing that might tempt me is the range of Bickerton light-weight bikes.

Firstly, I like the fact that they are so light—the lightest weighs only 20 lb, the heaviest 30 lb (the Microbike I wrote about a few months ago weighs about 27 lb and most folding bikes weigh between 38-42 lb).

Then I like the fact that it folds up easily so that it can be slung into the back of the car—when folded it measures only 20 inches by 30 inches by 10 inches. This means that an entire family could transport in an ordinary car enough bikes for everybody to have one when on holiday or away for the weekend. It also means that people living in small flats or houses or even boats could stow a bicycle away with the greatest of ease. It takes only about 40 seconds to fold up.

The bikes are all made from a very strong rust-proof aluminium alloy and have many special design points, like top quality racing transmission, an easy method of changing the



height so that a child or an adult can comfortably ride the same model (at different times!). The chain is nickel-plated so it doesn't have to be oiled.

The Bickerton is also the only portable folding bike that has passed the very tough American safety standards—though the version that is exported to America has some special features the basic design and construction is common to all

models. The extra features like the safety top tube and the chainguard can be bought in Britain as optional extras.

If you're interested in an excellent, light, strong and compact bike, you should certainly look at the Bickerton range. There is a choice of five speed machines, as well as a new touring bike. On sale at suppliers contact: Vulcan Light-most good sports departments (like those in Harrods and Street, Birmingham, B6 4NX).

Lillywhites and from Beta Bikes, 275, West End Lane, London NW6) the prices of the models vary from £119 for the single speed model to £149 for the five-speed version. The prices include the dual-purpose carrying bag (i.e. it can be used for holding the folded bike or as a shopping bag) and VAT. If you have difficulty in tracking down suppliers contact: Vulcan Light-most good sports departments (like those in Harrods and Street, Birmingham, B6 4NX).

After the Burberry—the Burbrolly

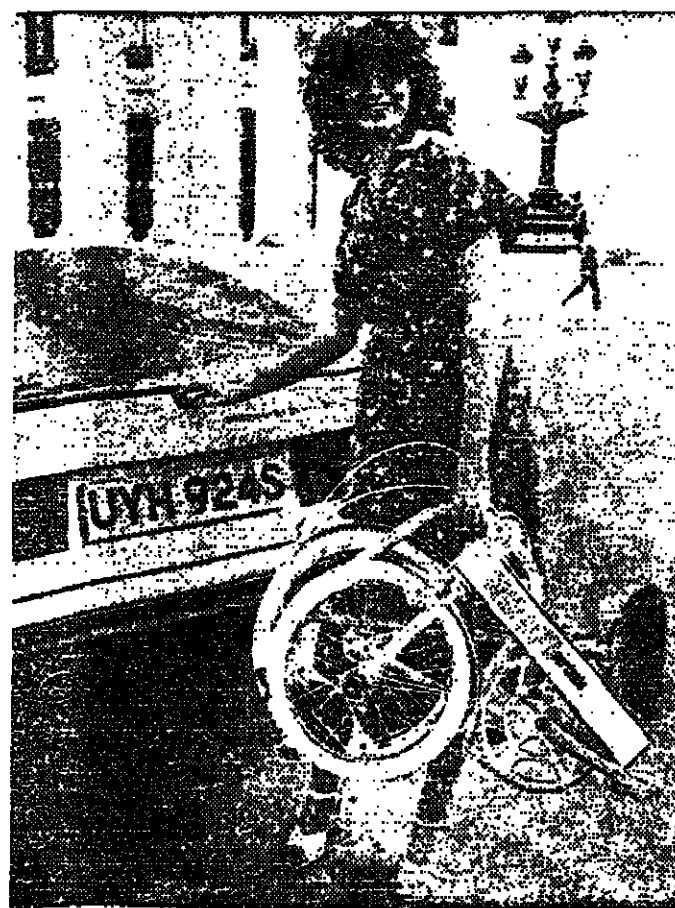
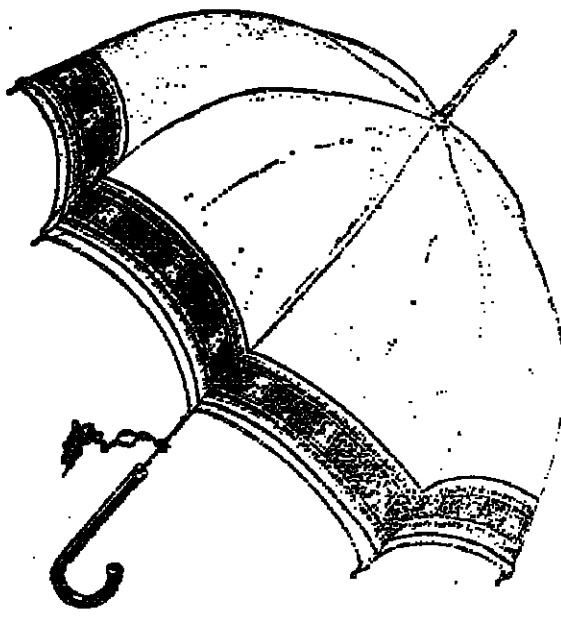
SOMETHING seems to have happened to manufacturers of umbrellas. For years they were very utilitarian objects. Mostly they were so anonymous that once lost on a bus or tube any hope of proper identification to distinguish it from its fellows was a lost cause. Nowadays, however, I keep coming upon umbrellas that are either such fun or so elegant that I long

to own them and would certainly cherish them enough to make sure not to lose them on the tube.

Burberrys, who are already famous for one of the most classic contributions to the problem of keeping people dry, have now decided to complete the job by offering their own, distinctive umbrellas—they call it the Burbrolly and no doubt it will become as famous in its own right as its distinguished predecessor.

The umbrella has a curved, polished wood handle and a black silk tassel. It is in dark beige nylon and the distinctive Burberry motif has been used as a border in the famous Burberry check colours of black, red and white.

It is available now from Burberry's in the Haymarket and at 165, Regent Street, London, W.1 only for £25.00. Unfortunately it cannot be sold by mail.



Les vacances en France.

STRASBOURG

en Alsace

Fascinating Strasbourg, famous for its old world charm and atmosphere, is the ideal place for that short break. Drink the famous Alsatian wines in the shadow of the Vosges mountains—you'll enjoy yourself in the Alsace. Dan-Air's scheduled flights direct from London (Gatwick) operate on Tues, Thurs, Fri and Sunday.

Our weekend excursion fare is £85 or for longer stays, £93.

Contact your Travel Agent or phone 01-680 1011

DAN AIR
1953 1978
Flew 3 million passengers last year.

ARTS/COLLECTING



Jean Harlow

Classic glamour

The shifts of taste are uncertain things, hard for the social seismologist to predict, often not so much for their direction as for their strength. The cult of Art Deco began not as serious reappraisal, but like those of Victorianism and Art Nouveau before it, as a somewhat self-mocking and perverse, even kitsch indulgence. We came to mock and stayed, first to enjoy, and then to value. In recent years the Art, Architecture and

ART DECO

WILLIAM PACKER

Design, the Music, Fashions, and Films of the years between the Wars have all become staples of serious critical scholarship; and inevitably Photography is prominent among them. But one particular genre has been far too long not seriously examined, but not taken seriously. The images of the great Hollywood Stars of the time are familiar to us still, images often of an iconic singularity and power; and yet we too easily take

them for granted, seeing them simply as a function of the studios and films they served, rather than for their intrinsic quality. The photographers were mere studio functionaries, and all but anonymous.

That this is no longer entirely true is largely due to John Kobal, who has made the Hollywood Studio Portrait his particular province, tracing the careers of the photographers concerned. And, in publishing the results of his researches, he has at once demonstrated that such men as George Hurrell, Whitney Schafer and Ernest Whaley were considerable artists, who more than deserved critical rehabilitation. No general study of twentieth-century photography can now ignore their work.

Twenty-one choice items from his collection are now to be seen at the Curran Shop in the Fulham Road (until September 30), not as a concentrated display but spread about the showroom, where their presence and style are augmented by the furniture and accessories of the time. These old wireless cabinets and dressing tables serve to remind us of that old but important rule: never throw anything away.

Early Music Festival

The Early Music Centre is no more than a couple of converted terraced houses in Princedale Road, London W11, but it provides England's first specialised performance and study courses in early music. Evening classes, children's sessions, concert series, weekend conventions and (as from this autumn) three full-scale professional courses on the violin, the lute and the voice—all have so far been accommodated by this flourishing self-help institution.

Last year the Centre promoted a popular and successful Festival of early music in the Wigmore Hall; though great fun, it encountered the criticism that its content was too lightweight. This year's Festival, which had been running all this week at St John's, Smith Square, has gone to the opposite extreme. It has provided a serious set of seven concerts under the title "The Dignity of Man", the events have been carefully planned to reflect the individual development within the hierarchy of the created world, thus reflecting the Centre's intention to study music against its philosophical background. Whether the first concert represented the infant, mewling and puking in the nurse's arms, may be doubted; the programmes have ranged from medieval polyphony through renaissance court and chamber music, to tonight's final concert, Bach's St John Passion, conducted by Andrew Parrott with an original-instrument orchestra—a performance which, though unusual, should be of unusual interest.

Thursday night's concert was a revival of Italian baroque music by the tenor Nigel Rogers and

Peter Schaufuss

The latter part of this week has brought an exceptional piece of dancing to enhance a somewhat workaday Festival Ballet programme.

On Thursday night at the Festival Hall Peter Schaufuss unleashed several different sorts of lightning in that child's guide to what is wrong with ballet, the *Corralle pas de deux*. It is a piece so foolish, so open to every sort of abuse, and so risible in the Tarzanese posturing that are required of its interpreters, that ideally it needs to be done by Morecambe and Wise.

Failing either of those geniuses, I will settle for Peter Schaufuss, all the more so because he is absolutely cast against type. Nothing in his training or stage persona suits him for the Ethel M. Dellery of the character (in which he is, on the other hand, bringing a glossy sexual allure which is exactly right). But Schaufuss, bending and swooping dutifully

CHESS

LEONARD BARDEN

THE BRITISH championship at Ayr last month was won by J. S. Speelman, with 8½ out of 11, followed by A. Mestel and H. J. Plaskett 8, P. E. Littlewood and S. Webb 7½. The tournament and the accompanying British Chess Federation congress were both successfully sponsored by Grivevson Grant, the first time a stock-broking firm has sponsored a national championship in any game or sport.

The prize fund went down to eight places, and Grivevson Grant's support had a directly beneficial effect on the quality and competitiveness of play; it meant that the leaders could go ambitiously for the championship without fearing that an unlucky loss would relegate them to amateurs. The good proportion of interesting games and wins at the top was reflected in high scoring—in one recent championship the best scores were only seven points.

The fighting, aggressive styles shown in the leading games and the good results of the younger players were interesting. Only two of the first nine finishers aged under 30, eight of the top 18 are under 23; 18-year-old Plaskett was joint second and 19-year-old Nigel Short shared tenth place.

This sweeping success for the young reinforces my view, ex-

pressed here before the tournament, that reform in the championship selection was long overdue. The BCF should follow the lead of the American and Lloyds Bank Masters and award championship places in the championship to talented juniors from the national squad who rank highly in their age group.

The new champion, Jonathan Speelman, used to be a talented but inconsistent attacking player. In the last year his game has matured, he qualified as an international master and brilliantly defeated the great Larsen at Lone Pine.

Speelman is a mathematician, and most of the other leading finishers work in some numerical field. One of the best games of the championship featured a classic attack against a weakened king's defence. It is easier to understand and emulate such play than complex strategic wins, and besides its instructional aspect there is a pleasing finish with the king chased round the board till mate.

White: H. J. Plaskett. Black: P. H. Clarke. Opening: French Defence (Grivevson Grant British Championship 1978).

The opening moves were 1. P-K4, P-K3; 2. P-Q4, P-Q4; 3. N-Q2, P-K3; 4. N-K3, N-Q2; 5. N-K3, B-K2; 6. B-Q3, N-B3; 7. N-K3 ch, B-K2, Q-K2.

Black is trying to improve on a system which is reputedly difficult for Black after the normal 8...0-0; 9. B-K4 followed by 0-0-0. Instead, Black keeps the option of casting on the kingside as White.

9. Q-O, P-B3; 10. B-K3, 0-0; 11. P-B3, P-K4 (around here Black

concedes the centre; more logical 12. N-K3, P-K3; 13. Q-R1, B-N2; 14. K-R1, N-B3; 15. B-K4, P-Q3; 16. Q-B3, Q-B4; 17. N-N3, Q-N3; 18. B-K5 (driving away and exchanging the king's defenders before attacking in earnest), N-Q2; 19. B-K5, K-B2; 20. K-R4, P-Q4; 21. P-R5, P-K4; 22. B-B4).

Countering Black's planned P-R5, when there would follow 13. N-Q2, Q-P3; 24. N-K4 threatening 25. R-N4 and 26. Q-B6 ch. 22... N-B3; 23. P-R6 ch! the final attack begins, with Black's development (too) retarded for an obvious sacrifice, but if Q-B2; 26. Q-Q4, B-K2 to meet; 26. Q-B6 ch, B-K2; 27. Q-Q6, Q-B2; 28. Q-B6 ch, K-N1; 29. B-Q5! (decisive: the rest is easy but an enjoyable king hunt), R-K1; 30. R-N5 ch, K-B1; 31. Q-N7 ch, K-K2; 32. R-K3 ch, K-Q1; 33. Q-B6 ch, R-K3; 34. Q-B6 ch, K-Q2; 35. Q-R5 ch, B-K3; 36. R-B5 ch, K-N3; 37. R-K4, N-R3; 38. Q-B4 ch, K-N3; 39. Q-Q6 ch, B-B3; 40. N-P3, R-N3; 41. Q-Q8 ch, K-B4; 42. Q-Q4 mate.

England has won the gold medals at the world under-26 chess championship in Mexico City, beating both USSR and U.S. Mestel, Speelman, Taubert and Goodman, all university students or recent graduates, defeated the Russians, fielding two grand masters, by 3-1 in the decisive match. This is England's first-ever victory in a world team event and confirms our growing challenge to east European chess supremacy.

Now for a hand played by Rixi Markus in the Rothman's Pairs Championship:

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.

A fourth diamond was led, which caused East a problem. If he ruffed low, it would cost him a trump trick; if he ruffed high, the declarer would discard a low spade. He decided to discard a club, and South ruffed.

Now South made the key play—a low heart—which was won by West's Knave. West returned a trump to the Queen and Ace, but now South could see the way clear. She cashed the spade King, crossed to dummy's Ace, and led the established diamond for a spade discard.

At love all West dealt and bid one weak no trump, which was passed round to South, who competed with two hearts and eventually played in four hearts, doubled by East.

West led the club King, which was allowed to win, and West switched to the diamond King. South won with dummy's Ace and at once ruffed a diamond.

She saw that this was no time for drawing trumps—the vital thing was to avoid losing to the spade Queen. Now she played a club to the Ace, ruffed a diamond in hand and a club in dummy.</

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantime, London FSA. Telex: 886341/2, 883897

Telephone: 01-243 8000

Saturday September 9 1978

Can Mr. Callaghan stay the course?

BY MALCOLM RUTHERFORD, Political Editor

After the non-event

THE PRIME MINISTER has chosen to give us a possibly brief reprieve from election jitters, at the cost of an indeterminate sentence to political uncertainty. Yesterday the market, which has grown quite attached to minority rule under Mr. Callaghan, chose to celebrate the immediate effect and ignore the longer-term implications. This was probably not so much a political judgment as a technical twitch: the financial institutions had been piling up funds awaiting the outcome of an election, and decided to commit some of this money. The outlook for the longer term is hardly one to celebrate.

Treading water

A good deal of morning-after comment has suggested that the Government simply hopes to tread water for a session, occupying Parliament for a little andyone legislation in favour of happiness and against misery, while the skeletons now on display are decently re-buried, and the electorate learns to be grateful for a better standard of living.

Unfortunately, however, the world does not wait for governments in need of time. Even if we escape external dangers such as could be set off by a failure at Camp David, for example, there are some important matters on the agenda which cannot be put off. In chronological order they are the wage question, the arrangements for closer European monetary union, and future plans for public spending. In addition there could, on past form, be a budget at any point in the timetable.

Mr. Callaghan may well regard the wages dilemma as a strong argument for staying on. His hope is that the unions will hesitate to push their opposition to the 5 per cent norm to the extremes of militancy when they are aware that every major challenge brings Mrs. Thatcher nearer to No. 10. This is a plain gamble, and the TUC's new chairman, Mr. Tom Jackson, has already admitted the painful implications for union leaders, who are not sure how far their members will follow any statesmanlike lead.

If the gamble succeeds, and settlements are reasonably moderate, then sterling and interest rates will benefit, and Mr. Callaghan will campaign as the man who has proved that even without a majority, he can fight inflation. The awkward results of tight restraint—shortages of skilled labour and fights over differentials—will remain for the next government to tackle. If the gamble fails, and wages explode that government will be led by Mrs. Thatcher.

However, if there is something to be said for leading from weakness on the wages question, there is everything to be said against taking long-term decisions in an atmosphere of perpetual electioneering. A lame-duck government has little power to win the concession which Britain has rightly sought to make a new European monetary system workable in the long term—notably a better balance in the EEC Budget, now weighing heavily on the invisible account. Mr. Callaghan needs membership of the new monetary union as visible proof of statesmanship, but the terms may be rather unfavourable.

More important, the next weeks—and months, if Mr. Callaghan has his way—will be a severe test of the Government's fiscal and monetary statesmanship. The dilemmas are familiar: whether to persist with the policies which have so improved our outlook in the last two years, or try to buy popularity now and pay later.

Temptations

The public spending review will see the main battles. The TUC has already made it clear that it wants higher spending, and unemployment is in any case likely to be a persistent problem: and departmental ministers are a spending lobby in themselves. In the longer haul, as the CBI has reminded, there is everything to be gained by tight restraint. A government trying to come up from behind may be unable to afford the long view, whatever Mr. Callaghan and Mr. Healey may privately believe.

The temptation to overspend is particularly great in a five-year plan. This year's White Paper on public spending showed relatively modest growth in detailed programmes, but a large contingency reserve. The Cabinet has already pre-empted most of that reserve for the current year, and is bound to approach the money provided for future years with itchy fingers. This is a sure recipe for long-term trouble.

There will be similar pressures towards laxity in monetary and budget policy, though the banking and retail figures show that the private sector is now making the running, and needs a clear track. And even if the Government holds the central ground, with responsible budgets and restrained monetary targets, every industrial and regional crisis will argue for expensive concessions on the fringes. In a tight situation, whatever the Government does to please voters is likely to alarm the markets. We face an uneasy winter.

MR. JAMES CALLAGHAN seems to have seriously miscalculated, even though, as I wrote yesterday, by going to the country now he could have been by no means certain of a Labour victory. There was a risk either way. The choice of an autumn election carried with it the possibility of defeat. The decision to stay on means that the Government could yet be forced to face the electorate at a time not of its own choosing, and even if it avoids that hazard, the defeat could be still greater in the end. It was because the latter risk was judged to be so much bigger that nearly everyone thought that Mr. Callaghan would decide to go now.

As it turned out, the Prime Minister was warned off by the opinion polls. As Mr. Robert Worcester, the Government's pollster and head of MORI, admitted on television on Thursday evening the advice he had given was that the Labour Party might have just squeaked home, but not with an overall majority. Thus it would have been "perhaps foolish" to have taken the risk. It remains to be seen whether the prospects will ever look any better between now and November next year, the last possible month for the election.

It must be assumed that the Government hopes to hang on at least until late February, for it is in the middle of that month that the new electoral register comes into effect. A new register is of more help to Labour than to the Tories because it gives a fairly up-to-date record of where potential supporters are. The Tories have always been much more efficient than Labour at keeping track of voters who have moved and persuading them to vote by post. According to most estimates, an election held shortly after a new register was introduced could give the Labour Party perhaps eight seats that otherwise it would have lost. That kind of advantage is certainly worth having.

Two questions, however, immediately arise. The first is: can the Government survive in Parliament long enough to maintain the option of late February or later? And the second is: even if it can, what are the chances of its improving its standing in the country to the point where it can win a general election? Obviously there can be no definitive answers at this stage, but there can be some calculations.

It seems likely that there will be one crucial vote when Parliament resumes in November. It will come on the Queen's Speech. If the Government survives that, barring the unforeseen and the unforeseeable, it should almost certainly survive until February. But will it? The outcome seems to lie in what it can do to attract the Scottish and Welsh Nationalists, of whom there are 11 and three respectively. If the Government can secure their support

for the Queen's Speech, and assuming that Labour's own ranks hold firm, that is sufficient for an overall majority. The question therefore is how much does the Government have to offer in order to get it.

All the talk so far has been of a promise to hold the referendums on the proposed Scottish and Welsh Assemblies before the general election. Yet the more one thinks about that, the more one doubts whether it is enough. In the first place, even Mrs. Thatcher is now committed to holding the referendums if there is a Tory victory, so the Nationalists are not in fact being offered anything new. Again, it is scarcely credible that a new Labour Government would go back on its own commitment to the referendums merely because the Nationalists had refused to do a deal now. That is not only a point of honour: it is also a political calculation. Nothing would be more likely to rekindle nationalist fervour than a decision in Westminster to renege on the offer of devolution.

Not least, there is the question of why the Nationalists should accept referendums on the present electoral register in order to allow the Government to go to the country on the new register next Spring. It should not be forgotten that there is a 40 per cent clause in the devolution legislation which requires a large majority in favour before the Assemblies can come into being.

For all those reasons it is probable that the Scottish Nationalists especially will ask for more. A revised demand for a separate Scottish fund and a revision of the 40-per cent clause have already been mentioned by some Nationalist MPs. In any case, the SNP would be unusually naive if it did not seek to drive the hardest possible bargain, and it is not certain that the Government could deliver while maintaining total unity in Labour ranks.

There is one factor which could help the Government. Unionists must be considered



James Callaghan: the Prime Minister may have waited too long.

Donald Stewart: Commons leader of the Scots Nats and the man in the middle.

Margaret Thatcher: the Tory leader can count on Liberal votes against the Government.

The prospect of an early general election must seem just as unappealing to many Scottish Nationalist MPs as it did to Mr. Callaghan: perhaps half of them stand to lose their seats to the Tories. It is therefore possible that fear of an early poll coupled with an enticing Government offer could allow a deal to be done.

It should be said, incidentally, that there appears to be no way in which a similar calculation could apply to the Liberal Party. Mr. David Steel, the Party leader, and others have already said too much about the need for an October election for the party to be seen any longer to be keeping the Government in office. Equally, the chances of the Government doing a deal with the Ulster Unionists must be considered

remote. By economic and social instinct the Unionists are Tories, and the only political deal that would attract them would involve the Government going back on power-sharing. Although one must learn to be surprised by nothing in politics, that seems unlikely. It is thus with the Nationalists that Mr. Callaghan must stand or fall.

Yet on the assumption that the Government does survive in Parliament, what will it do and how will it fare in the country? As it happens, most of the foreseeable problems are not of the kind which require legislation. The Government could actually give a fair impression of activity without having to call too often for Parliamentary support. But the trouble is that in all sorts of ways the next six months or so look like being altogether more difficult to deal with than the last six. In particular, a number of decisions will be taken either in a way which will further alienate part of the Labour Party or, alternatively, in a way to nullify maximum electoral advantage, in which case they will rarely be real decisions at all.

To take foreign policy first. It might be just possible to overlook Rhodesia in the sense that while it is important and might be coming to a head, the two big parties have always been internally divided on it and successive governments have usually managed to find a consensus of a kind in the end. (Certainly both parties seem to be implicated in the findings of the Bingham Report.) But there is also the proposed European Monetary Fund. That too is clearly very important indeed. It has not yet been properly dis-

cussed in public, yet negotiations are going on and the planned timetable is that it should start going into effect from January 1. A section of the Labour Party is likely to be against it on any terms. One wonders whether a minority up of domestic production. The Government kept in power by the Nationalists and continually ture to make-way for the growth of the private sector—always an alarm signal for the Labour Party—adequately to handle such Party—have begun.

On top of that there is the unemployment which refuses to the economy in general. The go away and which even the most striking fact here is that Government no longer expects Mr. Callaghan is now stuck with to go away in the foreseeable future.

Mr. Michael Foot, the deputy leader of the Labour Party, remarked on Thursday evening that the very fact that the Government had declined to go to the country at a time when the economic situation was relatively good was an example of its courage. Another way of putting that, however, is that the Government's own people. One of the reasons why would-mean failure all round. Labour could not count on victory this autumn was that it the case had Mr. Callaghan gone enough of its own supporters to the polls. Next spring the new electoral register might help, but one wonders whether the and earnings be separated from Government will be able to do the economy overall. Mr. anything between now and then Callaghan told the Trades Union much to inspire the Party Congress on Tuesday that activists. The mood of the inflation would not go back into Labour Movement could yet double figures this year, but the turn distinctly sour, and at the fact that he put it in that way same time it is difficult to see means that he is well aware that where the Government can get it could be different in 1979, to find new voters. In retrospect Even if one accepts that the October or even May 1978 might present consumer boom was not well seem like lost opportunity inspired for political reasons, lies, Mr. Callaghan's chances of many of the old familiar warn- getting to the church on timing signs are beginning to may have disappeared for good

BATTLE LINES IN THE COMMONS

FOR THE GOVERNMENT		
Labour	306	} 310
Scot. Labour	2	
Sec. Dem. Labour	1	
Independent*	1	
AGAINST THE GOVERNMENT		
Conservatives	282	} 295
Liberals	13	
IN THE MIDDLE		
Scot. Nationalists	11	} 24
Unionists	10	
Plaid Cymru	3	
Vacant (both previously Labour)		2
Speaker and three officers		4
TOTAL		635

* M.F. McGuire from Ulster, a frequent absentee

Letters to the Editor

Telephone manners

From Mr. B. O. H. Griffiths

Sir—An incoming telephone call, however welcome it may be, is essentially an intrusion. As such I feel sure you will agree that the caller should at least be on the other end of the line to initiate the intrusion personally. It is bad enough to hold on to one's phone while a secretary at the other end having said "I have So-and-So for you" proceeds to search for So-and-So, but it can be 20 times as bad for the operator of a 20-line switchboard who is thus instructed to "Hold On" while a growing queue of incoming calls awaits attention.

The Post Office is the sole gainer from the practice of having secretaries place telephone calls and whether it is indulged in for reasons of self-aggrandisement or mere thoughtlessness I feel sure it is a habit which should be dropped nationally and immediately.

In my office we have forbidden the practice for as long as I can remember. B. O. H. Griffiths, 101, Dorset House, Exchange Flags, Liverpool.

Schedule D tax

From Mr. Aneurin F. Evans

Sir—With reference to the letter "Schedule D taxpayers," August 31, 1978. To be equitable, comparison between Schedule D and Schedule E taxpayers during periods of inflation must take into account that the former must retain part of their earnings unpaid to finance themselves and their staff, whereas the employee does not have this economic requirement.

Existing stock relief is Revenue recognition of this problem: the type of relief needs to be extended to the total cash requirement. Aneurin F. Evans, 8, Eccleston Square, SW1.

Wales to Gatwick

From the Director of Operations, Air Wales

Sir—I read with interest A. H. Scott's letter (September 5) on travel to Gatwick. The writer commented that perhaps someone could operate a service from South Wales to Gatwick. It may interest Mr. Scott to know that Air Wales hold a licence to operate a scheduled service from Swansea to Gatwick. We intend to commence this service in the Spring of 1979 on a twice daily Monday to Friday basis. Air Wales have identified the need for a regular service to Gatwick to serve South Wales travellers to London as well as those wishing to connect with the ever increasing number of international departures out of Gatwick.

Overseas supplies

From Mr. Ron Mansfield

Sir—I can beat the record claimed by Mr. Vestage (August 18) by a wide margin. Last week I received urgently needed materials seven months after notifying the manufacturer that these items had been supplied incorrectly in the original consignment, which itself was delivered four months late.

Unfortunately this is not an isolated case and I could quote several other instances where the delay has been five or six months.

Ron Mansfield, P.O. Box 4265, Abu Dhabi, United Arab Emirates.

Name of the game

From Mr. I. F. Reddihough

Sir—Your Lombard column of August 29 informs us that British Leyland has now become BL. Does this help the investor or improve the image of the company? No doubt some wag has already said that BL stands for Bloody Leaker, but sarcasm apart, with the problems attached to investing today, to hide the identity of the company behind anonymous initials, is not making

life any easier. I have often seen the initials AAF and I always thought that was for a famous African Airlines—until I learnt that company had been taken over—so now I have no idea what it means or what the company does. Sometimes the company report gives a hint—BOC International talks of alloys and metals, so BOC could be British Overseas Cables—except of course that its British Oxygen. Most times, when you write about a company you put the full company name in brackets after the initials—but may I ask you to make sure that you do it always, and if possible make a reference to what the company does, if this is not indicated by its name?

I. F. Reddihough, Residence Panoramic, Ch. du Fauz-Blanc 20 E, 1009 Pully-Lausanne, Switzerland.

Numbers game

From Mr. T. Alex Wainwright

Sir—What a nice clear round equation—1,000,000 more unemployed under a Socialist Government and £1,000,000 from the TUC towards the Socialist election fund. The audacity of the Socialists is breathtaking, the action of the TUC in granting the cash criminal.

T. A. Wainwright, 8, Hermitage Drive, Twyford, Berks.

Revenue repayment

From Mr. S. P. Best

Sir—In the considerable correspondence which has taken place concerning alleged late-paying of income-tax by the self-employed, scant attention has been given to the scandalous delays which frequently characterise the repayment of tax (whether in error wrongly calculated or improperly demanded) by the Revenue. In many ways that is much more serious than any alleged delay in payment by the self-employed, who indeed, as some of your correspondents

have pointed out, still have to pay tax every year, and at what is often a perilous level without the concessions afforded to a limited company.

One of the Treasury Ministers recently defended on television, in very unconvincing terms, the decision of Government not to extend to the self-employed the concessions made to smaller limited companies. The reason is not far to seek, because, of course, the tax-shed by Government (in anticipation of an early general election) on behalf of the self-employed are merely crocodile tears. Whether their likely successors will show a proper concern for the self-employed remains a moot point.

That the services of the privately practising solicitor should be available to all, whatever their means, is beyond doubt. However, the Government, intent upon creating a proliferation of new law centres throughout the country, is busily stripping the legal aid fund to provide subsidies for such centres (currently, subsidies provided to existing law centres range up to £57,000 per annum, per centre from central and local government sources, and from the Commission for Racial Equality) whereas the solicitor private practitioner has to fund himself without any of the new tax concessions granted to the smaller limited company. The Government complains that there are too few solicitors in certain areas, but is plainly intent upon ensuring, for party political motives, that that situation remains constant.

The idea that there is nothing better to do with your money than to give it to any Government so that it might spend it on your behalf, stems from the bureaucratic attitude which, as Jo Grimond correctly pointed out yesterday, pervades Parliament, large sections of industry and the social services. He complained that the bureaucratic attitude eats away at production, it kills initiative and it is very bad for the human race. The corporatists of the Right and Left would certainly not agree, but as a party-political independent I have considerable

sympathy for the view, recently expressed, that Mr. Grimond is the best Prime Minister which this country never had.

S. P. Best, 29, Church Road, Tunbridge Wells.

As long as it's black

From Mr. J. F. Woods

Sir—Reading your letters on the machines saving manpower subject reminds me of a story I once heard about Henry Ford. He was demonstrating to a Union official a new machine that would replace the work of a number of men, and said to the Union man "And it won't come out on strike. The official said "Yes, but how many Ford cars will it buy?"

J. F. Woods, "Linkwood," Ellerslie Lane, Bezhill-on-Sea, Sussex.

Confused Muse

From Mr. John Weatherhead

Sir—Two letters printed September 2 were less than fair to you, I reckoned; why don't you jump to your defence? It is by no means an offence to print a piece of verse as prose, in fact it's quite a change for those of us who daily scan your pages for light relief from spiralling wages and all the dreary bits of news which never manage to amuse. The humour may be more oblique but surely can't be classed as weak.

John Weatherhead, 87, Darnick Road, Sutton Coldfield, West Midlands.

Pros and cons

From Mrs. Nancie M. Plimmer

Sir—About the letter headed "Secretaries" and the replies. Please will you settle an argument here. My husband agreed with Mr. Norman Frisby—I say that the editor who chose to publish Mr. Campton's letter knew it was in rhyme but gave his

Verse and worse

From Mrs. Joyce Westrope

Sir—Surely everybody knows the difference of verse and prose. The former must at least show rhyme. While prose need not at any time! Joyce Westrope, Grove House, 15, Glen Way, Watford.

Author's reply

From Mr. Bernard Campton

Sir—While I am duly grateful to those good people who wrote (September 2) in praise of my prosaically poetical piece about Secretaries, I must in fairness to that my pearl was presented precisely as I had submitted it—and as I wanted it to be. Many people nowadays avoid "verses" in any form like the plague (not without good reason, I'm afraid), and in order that they do not misguidedly ignore my own admittedly excellent verse I camouflage it as prose, so that by the time the reader realises he has been conned into reading "poetry" he is too absorbed by the content to abandon his struggle. Not that there is anything new in the idea, of course. For decades the daily papers and women's magazines have been producing their "fragrant minutes" in this genre. "Patience Strong" is perhaps the main surviving exponent in this medium (though another reader (writing to me direct) has kindly compared my genius with that of another celebrity in the business, Wilhelmina Stitch, who died in 1938. Bernard Campton, 34 Trevenagh Gardens, Mamodon, Plymouth, Devon.

WE'RE RICH! JOIN US!

We, Peter Whitfield and Bob Tanner, starting with £75 each — have made millions in shares (Clubman's Club, Orme Developments, etc).

We have joined forces with Peter Welham (Formerly Assistant City Editor and Quorum of The Daily Telegraph) to produce The Equity Research Associates NEWSLETTER, a fortnightly private investment newsletter.

Equity Research Associates seeks undervalued shares—and tells you when to buy and sell. They give positive advice on bids and new issues and keep a keen eye on shareholders' rights. Its distinguished list of contributors includes acknowledged experts on all aspects of investment.

Ensure that you receive the next two issues FREE by completing the coupon (below). For details of FREE TRIAL OFFER, write or telephone now:

To Equity Research Associates
Subscription Department
35 Hoop Lane
London NW11 8BS

Please send me details of the
FREE TRIAL OFFER of the NEWSLETTER

Name _____

Address _____

Postcode _____

Tel. _____

Tel. 01-455 2844



Unscrambling the radio waves

BY DAVID FISHLOCK, SCIENCE EDITOR

IF THE annual meeting of the British Association for the Advancement of Science is any yardstick, science has begun to emerge at last from the era of gloomy prognostications. Very few of the papers this week have forecast disaster if we failed to adopt or abandon this or that course of action. But there was one in which the speaker left some of his audience with a sense of déjà-vu, not for the subject—a relatively new one—but for the terms in which he addressed his warning.

Professor William Gosling, who heads the School of Electrical Engineering at the University of Bath, is unapologetically a technologist who believes in technological solutions. His worries are with the radio spectrum—the airwaves—and the way they are becoming overcrowded. His plea is for conservation of a resource which, he says, for good scientific reasons is finite, and the limits to which can be very precisely defined. His message is that "spectrum pollution"—the way in which we abuse our airwaves—is producing a crisis more acute than those of energy and material resources. His resolution is a technological one—more advanced systems for radio reception.

In November the BBC—as it keeps advising radio listeners and inviting them to help publicise—is changing the frequencies of most of its radio programmes. One reason is the recognition that Radio 4 is the most popular programme among car radio listeners: the change will allow them to remain tuned to the same frequency on long drives. But another is simply radio congestion—difficulties arising from the increasing use of radio bands and the way transmissions are jammed together on the dial. By November, the BBC

estimates, Europe could have as many as 2,700 transmitters operating.

The problem is rooted in the laws of physics and the way the electromagnetic spectrum behaves. There is a well-defined "window" in the electromagnetic spectrum of frequencies at which radio waves can be transmitted. On one side of the frame is drawn by the physical size of the transmitting aerial, which below 10 kilohertz becomes far too big to contemplate.

On the other side the frame is drawn by the transparency of the atmosphere to radio waves, which above 30 gigahertz (300 kilohertz) becomes too opaque for efficient transmission. The radio band of the electromagnetic spectrum is therefore a finite resource which no seriously contemplates can be extended. It is not, of course, being consumed—like hydrocarbons—but is certainly a resource that can become fully utilised. It is very strongly the view of Professor Gosling, and of the manufacturers of mobile radio systems such as Pyle Telecommunications (Philips), Radiomobile (Smiths Industries) and International Aeradio (British Airways), that we are already uncomfortably close to saturating the radio spectrum.

One important reason for this is the growth in demand not only for radio broadcasts—the European Broadcasting Union has recently called for a substantial increase in the allocation of radio bandwidth for broadcasting—but also for private radio systems, above all for mobile radio. Broadcasting authorities at least have the alternative possibility of using cable systems to protect their transmissions from interference by overcrowding. Users of mobile radio can be given no such protection. Overcrowding, the manufacturers say, is cramp-

ing development of a substantial and rapidly growing new market; one which can show handsome returns for its customers.

Take the police, says Professor Gosling. Its workforce is little greater than it was in the 1920s, although the amount of crime has increased tenfold. The reason why the police have been able to keep pace with the Britain

offered by vets, frozen food security and defence. The problem here is by no means only a domestic one. During the last year, for example, the

available to private car owners in Britain: a service which has grown steadily in spite of its high cost.

Then there are possibilities be- over-the-horizon radars designed to detect enemy mis-

siles at the moment of launch.

Russians—followed by the U.S.—have begun to commission extremely powerful new trans-

mitters, believed by experts to be in different ways much

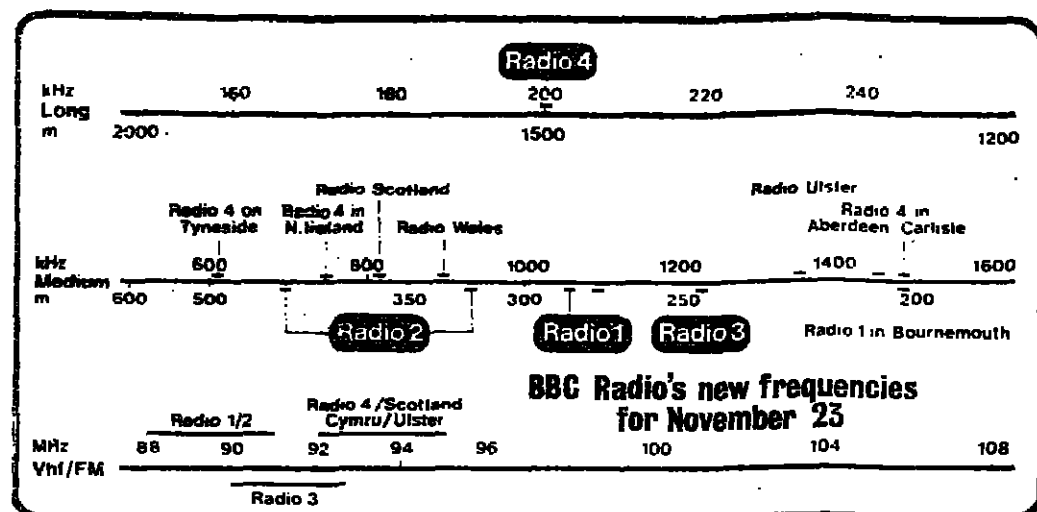
higher than international regulations stipulate or purely domestic needs require.

Such breaches of international convention tend to force neighbours also to "shout louder." But for the listener it simply means more spurious signals each side of the band-width allocated—more jumbling of transmissions. If everyone today could be persuaded to reduce the power of his transmission, reception would immediately improve.

Until the last year or so the British Government was pretty unenthusiastic about taking any action to avoid a "spectrum famine." An unpublished report in 1975 by a Home Office official, Mr. James Varden, examined the case for a major new use of radio, privately-owned mobile communications. It proposed that little encouragement should be given to the expansion of such transmission. To relieve existing congestion it favoured more sharing of wavebands, and more skilful use of frequency allocations by better trained operators. Given such restrictions, it concluded, any need for a technological fix could be postponed for at least a decade.

The radio manufacturers were understandably aggrieved. It had even been argued that more transmissions could be squeezed in by reducing the bandwidth allocated, and tolerating the poorer quality of transmission this must entail. But as Professor Gosling points out: "Just listen to the average taxi radio—if reception got much worse it would be no use at all."

The technologists propose a quite different solution: one they believe could open up enough additional capacity in the radio spectrum to service growth and developments for 20-30 years. One of the most



growth of crime, and in population, road traffic, etc., is through the introduction of radio—perhaps a £20m investment nationwide—first into vehicles and then for the man on the beat.

Or take private radio services by commercial companies. According to Professor Gosling, commercial delivery services can show economies of the order of 20 per cent from lower fuel costs and better vehicle utilisation by introducing radio. Many, such as taxi, messenger and commercial delivery services, are already wholly dependent on radio. It is spreading to less obvious services such as those

operator wanted to use mobile radio in his fleet, to re-route the buses to points where the customers were queuing. The Home Office, to protect against overcrowding, restricted his licence to the radio's use in emergencies only. But if the Government is seriously interested in improving public road services and wooing people away from the private car, radio affords more technological promise than more fancy ideas for "rapid transit".

But there are other reasons for spectrum congestion, the most obvious of which is the growing demands upon radio for aviation activities, national

So powerful are the Russian transmissions, from deep in the Urals, that they are proving highly destructive to short-wave radio reception all round the world. Large portions of the short waves on these frequencies are already unusable, says Professor Gosling.

Another reason is the refusal of some countries to observe internationally allocated frequencies for broadcasts. The most flagrant example is provided by Albania, which uses a very powerful (2MW) transmitter to broadcast on a frequency which it has not been allocated. The Saudis are starting up a new transmitter on a frequency allo-



Police communications: just one of the many new strains being imposed on the radio spectrum

promising ways, they believe, would be to adapt the technique known as single side-band broadcasting (SSB) to mobile radio. Both Philips Research Laboratories at Redhill in Surrey (Philips' UK subsidiary Pyle Telecommunications) is the biggest makers of land mobile radio in the UK, and Professor Gosling's own laboratory at the University of Bath believe they have cracked this problem. Both successfully demonstrated their latest ideas at the Conference on Radio Receivers and Associated Systems at Southampton this summer. And a third system, using a different approach, was demonstrated by Marconi.

The Bath University system has been developed first with Home Office grants from its Directorate of Telecommunications, and more recently with funds from the Wolfson Foundation (a condition of which is that the results are made freely available to industry). Where bandwidths of 12.5 kilohertz or more are allocated for transmission today, Professor Gosling believes that his equipment needs channels only 5 kilohertz wide. Technical ingenuity, simultaneously improving together with the falling costs

of electronic component circuits, would be to adapt the technique known as SSB systems, for which a tighter technical specification has to be written.

A consensus is now developing among radio experts worldwide, says Professor Gosling, that a technological solution to the problem of spectrum congestion is within reach. He takes heart from the fact that the regulatory side of the Home Office has begun to acknowledge that there is a problem, and to take the technological solutions seriously; and also from a report of the Federal Communications Commission in the U.S. earlier this year, strongly supporting the extension of SSB into the VHF and UHF bands for land mobile radio.

Chance will not come about overnight. It means a lot of detailed work set by the radio system companies to develop the new techniques into broadcasting and receiving systems. For users it may mean scrapping investments to open the way for more conservation-conscious systems. But the outcome could be much wider use of an economically proven method of communication, and wide. Technical ingenuity, simultaneously improving together with the falling costs

Weekend Brief

Little but larger

A bank which expands its branch network by a tenth in a year is pretty rare among the British institutions these days. But when you start from a base as small, in terms of branch coverage, as Coutts the recent expansion programme looks quite dramatic.

The latest opening, in London's Kensington High Street, brought the group's total branch network to 11, if you count the several branches operating from its Strand offices as a single unit. This may not seem very adventurous. But for a bank which after a history lasting 286 years has kept itself consciously apart from the extension of financial services on a national scale adopted as policy by the other clearing banks, the events of the past two or three years represent a major development.

Coutts, with its frock-coated managers—the pockets in the tails of those coats, I am told, can be put to many useful purposes—has deliberately restricted itself to a particular sector of the market. It was taken over by the old National Provincial Bank in 1920, and is now owned by National Westminster after the 1968 merger. But it retains its own seat in the Bankers' Clearing House and concentrates independently and successfully in providing a high quality banking service to customers prepared to pay extra for personal attention.

In the past few years, the bank has been spreading its wings. The Kensington opening followed the new branch in Brentford Road in London in 1975. In both cases, the bank those up-and-coming areas attractive to the right kind of customer. And both new openings benefited from the transfer of a number of accounts from other branches—in the Kensington case, from Cavendish Square—which also helped to relieve the pressure on the staff at the existing offices.

Recently, Coutts has also launched a campaign to increase the proportion of its business done for commercial and industrial customers rather than private individuals. The bank reports that its advertising campaign achieved significant success, and though it may take some time to reach the objective of stepping corporate business up to 30 per cent of the total Coutts is satisfied with the progress so far.

The group has also ventured into the provinces. Until recently, its only branch outside London was in Eton. But in 1976 it opened a branch in Bristol and earlier this year set up a representative office in Norwich. Both have been successful, but it appears that the bank's plans for further expansion outside the metropolis may be moved more back to a while, it is felt that the big conurbations, where the major clearing banks are widely represented, may not be appropriate for a bank of Coutts' character.



Coutts and Co. chairman, David Money-Coutts: Expansive mood.

In any case, the bank will have other things on its mind in the next few months. For five years, it has been engaged in an extensive reconstruction of its famous offices in the Strand, with their pepperpot facade, and has been living in a number of offices. Towards the end of this year, Coutts hopes that it will at last be possible to bring its head office operations back into the rebuilt Strand premises.

Knotty problem

Brave efforts are being made to bring back the elm to Britain's countryside. But it is now clear that with the death of 12m-odd elms over the past few years and the relentless spread of Dutch elm disease into even the inhospitable northern regions, the face of rural Britain has been irreversibly altered.

Forestry Commission experts who are attempting to develop varieties of tree which can resist the ravages of the so-called "aggressive" strain of Dutch elm disease say that by the time their work is finished there will be no place for the elm in the countryside.

Most elms, before the disease swept away their foliage and the sawyers finished the job, grew in hedgerows. But the hedgerows themselves are still disappearing—although not quite so rapidly as they did when the arable farming industry set about stripping its fields for cultivation with giant machines.

Mr. David Burdick, a Forestry Commission researcher said when the tree breeding work was over—and he was talking in terms of 20 to 30 years—planting of saplings might begin again. "But the elm will probably be a tree for special applications such as parks or gardens rather than in rural situations," he said. Some farmers, he conceded, might be prepared to replant the elm in copses or the remaining hedgerows.

have more than 40 years' experience. The search for elm disease-resistant trees began in Holland around 1980. In the 1950s several strains had been grown successfully and resisted the "aggressive" strain of the disease attacked and the researchers were back more or less where they started. But at least they had a considerable bank of breeding material with which to work and the confidence from knowing that if they could beat the killer once they could in all probability beat it again.

The main difficulty with the work is the length of time needed to test the resistance of new tree strains. Saplings have to be three years old before definitive tests can be carried out. There are no short cuts, and Mr. Burdick pointed out that we would probably have to wait a further 20 years or so before "reasonably resistant" trees were available for planting. Then, of course, there would be the further long wait for the seedling to mature into full-blown elms.

But the Forestry Commission and others working around the world have no plans for giving up. "It is a long, intricate and fascinating detective story," Mr. Burdick said. "We want to keep the elm. It is difficult to deal with the situation when the disease is so powerfully established. But we can manage."

Fresh material which may prove useful has just arrived in Britain from the USSR. Coventry MP, Mr. William Wilson, drew on the goodwill stemming from Coventry's "twinning" with Volgograd and has been sent a box of reputedly disease-resistant elm seeds. These will be planted in the spring, Mr. Burdick said, and then he would have to wait the three years before applying his tests for resistance.

Backing group

Covent Garden's production of *Rigoletto* is shortly to have a new competitor—

courtesy of one of Covent Garden's own sponsors, Commercial Union. Commercial Union is providing Scottish Opera with the £35,000 which it needs to mount a new revival of the famous drama of betrayal and revenge, and is thoroughly pleased with its investment.

It represents the insurance company's first formal venture into sponsorship of a company based outside London, though its cash has in the past helped to send the Royal Opera and the London Philharmonic Orchestra on tour—both to the North of England and the States. Commercial Union concentrates on sponsoring music these days, although requests still come through at frequent intervals for sporting sponsorship of the kind in which the company used to specialise.

The tie up with Commercial Union is a first for Scottish Opera, too: the first time it has had aid from a company based outside Scotland. Scottish Opera was born and swept to its present eminence on the tide of Scottish nationalism. Putting money into Scotland's cultural development was a convenient way for companies to demonstrate that their hearts were in the right place, without coming down too firmly on either side of the political fence.

While the link now formed with Commercial Union undoubtedly reflects Scottish Opera's eminence, it probably reflects, as well, the way that that tide of nationalism has receded. Commercial Union, it's true, is fairly heavily represented in Scotland—there are two offices in Scottish Opera's home city, Glasgow. But it couldn't in any sense be described as a Scottish company. Nevertheless, the opera company's artistic director, Sir James Gibson, has welcomed this sponsorship in the most enthusiastic terms—and there are plans, once the five performances in Glasgow are over, to take the new production on tour—south of the Border.

Class of '78

The metamorphosis of the student is an interesting phenomenon. Six weeks ago the be-janed chrysalides bade farewell to one another with

sighs of relief at the end of their "A" levels and this week the floral skirted and smartly tailored butterflies came together for a celebratory drink. Thank goodness everybody's exam results were satisfactory. Indeed, half the class of eight had got A and B grades. Everybody was united in thanking our teacher—who was an honoured guest at the reunion in a pub near Welwyn Garden City.

Robin, Julie and Clare were engaged in earnest conversation with Pierre, our French teacher, when I came in. Paul, who had always been late for class, had not yet arrived. When he did turn up, half an hour after the appointed time, he was told in no uncertain terms to leave his motor cycling gear outside the pub.

In July we had all undergone the gruelling experience of swotting for and finally sitting a 71 hour written French exam, split into three parts, and an oral. We had supported and encouraged one another and been supported and encouraged by our teacher.

For two of us nothing much had changed. Pierre will go on explaining the vagaries of Cointreau; and I will continue to battle my way round Sainsbury's once a week and wage war on the dirt and grime which find refuge in my home and on my children. But the end of the college year had meant radical and drastic change for the others.

Julie had become a nurse at a London teaching hospital. She had already coped with the problems of a geriatric ward, seen a fellow student faint at her first sight of somebody else's blood, dealt with a bedpan and come to the firm conclusion that, despite her cleverness and academic success, she wanted to be a nurse and not a doctor.

Clare, the class beauty, and Robin had found jobs together at British Airways' West London Terminal. They were presently undergoing a comprehensive training course, which appeared to be being conducted by a computer, programmed by someone with a sense of humour—of a sort.

If we get something wrong the computer flashes up, "Oh dear, you have got a bad memory," or "Oh, no, no, no, that won't do," said Clare. "It drives you mad after a bit!" But the sensation was Paul. High flying Paul, who smiled his apologies when he habitually turned up twenty minutes late for every lesson. He had scored two As and a B and was soon off to university. Meanwhile he was at the bakery, wrapping and packing sliced bread. "It's all the same, you know," he whispered confidently. "The stuff that costs 22p is the same as the 28p bread. We just put it in different wrappers." He smiled disarmingly.

He was getting £78 a week on the night shift, he said, as he stood up to buy his round. There was consternation all round the table. The nurse was getting only £20 and the potential British Airways executive £38. I admitted to £4.60 family allowance and Pierre looked thoughtful. There was something wrong somewhere.

Contributors: Michael Blanden, Christopher Parkes, Adrienne Gleeson and Pat Walker

Economic Diary

TO-DAY—Prime Minister goes to Balmoral for annual week-end visit to the Queen.
MONDAY—European Central Bankers begin two-day provisional figures for wholesale price index and also retail price index.
TUESDAY—Liberal Party Conference opens, Southport Theatre (until September 15). Building Societies' reveals and loans (August). National Consumer Council statement on its economic manifesto. Atomic Energy Authority annual report. British Institute of Management annual report.
WEDNESDAY—Index of Industrial Production (July provisional). Mr. Denis Healey, Chancellor of the Exchequer, addresses Electrical Electronic

Telecommunications and Plumbing Union industrial conference, Goodricks College University, York.
THURSDAY—Balance of payments current account and overseas trade figures (August). UK banks' assets and liabilities and the money stock (mid-August). London dollar and sterling certificates of deposit (mid-August). Bank of England quarterly bulletin will include second quarter figures for UK banking sector; financing of the Central Government; Borrowing Requirement; and money stock.
FRIDAY—Usable steel production (August). Retail prices index (August). Credit indicators for the UK economy (August).

70% gross income this year for original investors

...and the outstanding management group

was (wait for it) M&G, which had two in the top 10 and no less than five in the top 25 trusts last year

SUNDAY TELEGRAPH 1.75

***Investors who bought income units for 50p at the launch in 1969 received this year a return of 17.57% gross on their original investment.**

M&G HIGH INCOME FUND

By investing almost exclusively in equities (rather than preference shares or debentures) the M&G High Income Fund ensures good prospects of a consistent growth of income. This means that by accepting a relatively modest initial yield you may reasonably hope that your income distributions will grow over the years and protect you from inflation. A higher starting yield tends to reduce the likelihood of future income growth.

The Fund aims to provide an income at least 60% higher than the return from shares in general and capital performance over the years has also been considerably better than average. At the latest buying price for income units of 115.3p the estimated gross current yield is 8.05%.

Unit basis is a long-term investment and not suitable for money that you may need at short notice.

The price of units and the income from them may go down as well as up.

Prices and yields appear in the F.T. daily. There is a charge of 3% initially and 1% plus V.A.T. annually. Distributions are made on 31st January and 31st July net of basic rate tax. The next distribution date for new investors will be 31st January, 1979. You can buy or sell units on any business day. Contracts for purchases or sales will be due for settlement 2 or 3 weeks later. 15% commission is payable to accredited agents. Trustee: Clydesdale Bank Limited. The Fund is a wide range security and is authorised by the Secretary of State for Trade.

TWO WAYS TO INVEST

As an alternative, or in addition to investing a capital sum, you can start a Regular Investment Plan through a life assurance policy with benefits linked to the M&G High Income Fund for as little as £12 a month. 81% to 94% (depending on your starting age) is invested, except in the first two years when an additional 20 per cent is retained to meet setting-up expenses.

On a £20 Plan, tax relief at present rates can bring down your net monthly cost to only £16.70, in most cases appreciably less than the monthly purchase of units on your behalf by M&G Trust (Assurance) Ltd. Regular investment of this type means that the inevitable fluctuations in the price of units gives you a powerful mathematical advantage through Pound Cost Averaging, because your premium is used to buy more units when the price is low and fewer when it is high. You also get life cover throughout the period of at least 180 months your monthly payment, if your age at entry is 54 or under, an element of life cover is also provided for higher ages, up to 75. You are normally entitled to claim tax relief at current rates of £16.50 for each £100 paid.

If you cash in or stop your payments during the first four years, there is a penalty, and the tax authorities require us to make a declaration, so you should not consider the Plan for less than five years.

M&G is a member of the Life Offices' Association. The latter is not available to residents of the Republic of Ireland.

66 ...and the outstanding management group

was (wait for it) M&G, which had two in the top 10 and no less than five in the top 25 trusts last year

SUNDAY TELEGRAPH 1.75

TWO WAYS TO INVEST

In M&G GROUP TO THREE QUARTS, TOWER HILL, LONDON EC3P 5BQ TELEPHONE: 01-558-1588. This section to be completed by all applicants.

NEITHER £1000 Complete this section to receive a Capital Investment (minimum £1,000).

Do not send any money. This is a free service and you will not be charged anything. It is a free service and you will not be charged anything. It is a free service and you will not be charged anything.

PLEASE INVEST

(delete as applicable) In Income units of the M&G High Income Fund at the price ruling on receipt of this application. I declare that I am not a resident of the Republic of Ireland. I declare that I am not a resident of the Republic of Ireland. I declare that I am not a resident of the Republic of Ireland.

OR £12 Complete this section if you wish to start a Life Assurance Policy by paying monthly premiums (minimum £12 a month).

I WISH TO INVEST £ per month in the M&G High Income Fund. I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

I declare that I am not a resident of the Republic of Ireland. I declare that I am not a resident of the Republic of Ireland. I declare that I am not a resident of the Republic of Ireland.

SIGNATURE (Date)

Registered in England No. 1038888. Reg. Office at 200, The M&G Group

LMS makes progress to nearly £9.5m

Orme Board is split —St. Piran can buy

A MAJORITY of the Board of Orme Developments, the housebuilding company, yesterday agreed to recommend the takeover over from fellow shareholder, Comben Group. But the bid is still being resisted by major shareholder Saint Piran

provision for the outstanding balance of an old claim on the Ministry of Defence arising from cancellation in 1971 of a major project.

The directors say this claim is still being rigorously pursued but consider it prudent to make the provision in order to avoid a considerable lapse of time since negotiations recommenced.

The year was a period in which the actions taken to adjust to a changed environment had not yet produced results that show welcome improvement in profits and the directors say:

These results have reversed the trend shown by last year's accounts and, when coupled with the improvement in order to demonstrate the more health

	Current payment	Date of payment	Corre- sponding div.	Total for year	Total last year
Huac int.	2	Nov. 10	2	4	4.0
Mines	24½	Nov. 10	12	44	25
Gold int.	0.7	Oct. 21	0.7	1	1
Mine	0.96	Dec. 8	0.82	1.47	1.32
Mines	32½	Nov. 10	22	55	34
Old Mines	14½	Nov. 10	3	20	3
Gold	37		0.88	1.07	1.25
int.	110½	Nov. 10	55	150	115
Separate	0.72	Oct. 5	0.72	—	1.92
Old Mines	76½	Nov. 10	47	123	86
shown before payment net of company's other securities sold,					
after allowing for scrip issue. † On capital					
by rights and/or acquisition issues. ‡ South African cent.					

Mr. W. R. Haines, the chairman, is retiring on completion of the AGM on October 24. He will remain as a consultant to Craxi and thereby has maintained a continuing relationship with the group. Mr. R. A. Solomon has agreed to succeed Mr. Haines.

	Year	
	1977-78	1976-77
Turnover	\$1,011,178	\$752,579
Profit before tax	\$206,712	\$62,778
Tax	298,237	136,774
Net profit	268,237	298,237
Extraordinary debit	85,243	298,237
Dividends	143,696	141,111
Forward	1,006,271	962,000

A. & C. Black

unchanged

FOLLOWING THE first half increase from £209,700 to £213,000, profits before tax of Cray Electronics improved to £603,711 in the year ended April 30, 1978 compared with £441,706 in the previous year. Turnover amounted to £9.1m against £8.37m.

After tax of £266,237 (£136,770) earnings per share are shown at 42p (338p) on increased capital.

Special dividend of 0.0541p makes

From turnover of £117m against £1.09m profits of A. and C. Black (publisher), rose slightly from £133,000 to £138,000 in the first six months of 1978 before tax of £72,000 compared with £70,000.

The interim dividend is maintained at 2p—last year's total was 4.9p from pre-tax profits of £314,000.

From turnover of £117m against £1.09m profits of A. and C. Black (publisher), rose slightly from £133,000 to £138,000 in the first six months of 1978 before tax of £72,000 compared with £70,000.

The interim dividend is maintained at 2p—last year's total was 4.9p from pre-tax profits of £314,000.

Midterm

First half profit collapse at Joseph Shakespeare

the final dividend, like the interim, is unchanged.

Benlox sees improving trend

ATTEMPTING TO ALLEVIATE the losses

After allowing for losses of £140,150 against £134,833 on discontinued operations, Benlo Holdings has turned in a new deficit of £113,779 for the year ended February 28, 1978, compared with £149,947.

All loss-making operations have now been closed and a material reduction in overheads secured following recent management

continued operations. Denelcor Holdings has turned in a year-end deficit of £113,778 for the year ended February 28, 1978, compared with £149,947.

All loss-making operations have been sold or transferred to a new production in overhauls since the following recent management changes, the directors report.

J. Joslin (Contractors) has undertaken to give them considerable assistance for future and they are confident that the group will at least make a profit in the current year.

Turnover from continuing operations for the year amounted to £250,074 (£1.8m) and from continuing operations (profit) from continuing operations amounted to £4.81m against £3.54m.

Shareholders' share of the profit was £1.3m (13.3%) and the company paid no dividend, the last being 0.73p in respect of 1974-75.

Africa's growth potential burns out for Inchcape

Forecasting only a marginal increase on last year's first half profits of £27.45m, with a similar trend for the full 12 months. The interim announcement is due out on Tuesday.

Turner and Newall's disappointing results in the second half of last year are expected to be reported in the first half of the current year. At the time of the rights issue (in April), the directors reported a dull first quarter. But since then, consumer spending has started to pick up and the full year's results should reflect his recovery. Being particularly

AFRICA, one of the group's traditional areas of operation, was proving most disappointing for Incheape and Co. With all the problems that face the company in the region it was unlikely that

Although sensitive to the plastics industry, has been hit by low demand for its products. It is expected to begin picking up. This should also ease the case with Hunt (chemicals), which has already reported a further half profits only marginally higher. While components will continue to run in line with others in the automotive sector. Analysts are forecasting just over £20m for the half (24.53m) and around 47m (25.58m) for the year.

Other results to note are: Interims from Baxters, Tricentral, and Carnetts Industries; Interim from Bridon, Log Industries, Prudential Assurance, Northern Engineering, Banker McConnell, and International British Leyland; and Rover Motors, with its half results. Also, the results of Gales, Dalgety and Arthur Bell and Sons.

It would return to the level of profits achieved there in earlier years. Lord Inchcape, the chairman, told the annual meeting yesterday.

By contrast he expected better results in the Far East. Political

to provide a meaningful fore- of results for the current year says.

For the year ended March 1978, pre-tax profits amounted to £381,564, against £394,002, on the eve of £14.19 (£13.82m). Earn-

Dividend date	Dividend rate	
	Last year	This year
Monday	1.77	1.77
Tuesday	1.54	1.50
Wednesday	1.28	1.00
Thursday	1.46	1.00
Friday	1.29	2.24
Saturday	1.25	2.25
Sunday	1.17	1.18
Monday	1.25	2.25
Tuesday	0.98	1.00
Wednesday	0.98	1.00
Thursday	0.98	1.00
Friday	0.98	1.00
Saturday	0.98	1.00
Sunday	0.98	1.00
Monday	0.98	1.00
Tuesday	0.98	1.00
Wednesday	0.98	1.00
Thursday	0.98	1.00
Friday	0.98	1.00
Saturday	0.98	1.00
Sunday	0.98	1.00

China's more forward looking policies and the feeling that Hong Kong had a real part to play in China's development. Also with the dollar weaker and the yen not as strong as predicted exports from Japan continued to pour in.

[illegible]

In South East Asia, as the outcome of political and other considerations, there had been a deal

Utd. British Securities dividend hopes

unlikely to be any spectacular advance, while in the Middle East growth had flattened out. The chairman said that the company's biggest profit earners and the most successful diversification away from the steel business was in the oil and gas, Lord Inchcape commented.

Lord Inchcape said his appointment as executive chairman and chief executive of the company would not affect his responsibilities for the Inchcape Group, which he would continue to own. He would mean that he would be spending more time at P and O, but would spend less time at the Inchcape.

He said his policy of delegation over the years and the change from non-executive chairman to executive chairman was a success.

Lord Inchcape is Man of the Week, on back page.

The outlook for the oil and gas business is more difficult to predict, Sir George British, the chairman of United British Securities, Trusts and Investments said. But he hoped the pattern of rising dividend increases will be a success.

As previously reported, pre-profit for the year to June 30 was £12.9 million and dividend payments increased from 1973p to 4.44p.

At balance sheet date net assets were £10.9 million at cost of £30.33m, compared with £29.9m white at market or directed value of £29.9m previously. Of the listed UK investment accounted for £47.41m (£4.36m) and investments in overseas companies £22.38m.

Current assets were £2.2m (£1.2m) including bank balance of £22.7m less £14.4m; current liabilities were £13.3m (£12.3m).

Good start by Bogod-Pelepah

The current year has opened

with turnover and profits in the first four months ahead of the corresponding period last year, July 31.

The revised terms announced on September 10, 1937, provided that 100 shares, plus 12 1/2 cash, were offered for every six shares of Orme. This offer was underwritten at 37 1/2 cash per Orme share valuing the company at \$11,250,000.

Following Comben's now famous comparison of profit, performance and value, the shares were of limited value when the offer was underwritten in cash. But in any case he would be interested to know how the comparisons would have differed if Comben used the same conservative accounting policies as Orme, particularly in relation to depreciation.

In addition, Orme shareholders held on to what was earlier announced as a final dividend of 1.5p per share but which was now declared as a special interim dividend.

The new cash terms have been recommended by members of the Orme financial advisers, Charterhouse Japhet is also recommending the terms. But Saint James, which bought the shares for 14p per share, is still against the offer and lists three representatives with the Board and its financial advisers, Baring Brothers, prior to the shareholders' meeting.

Orme shareholders are expected to approve the merger with Manchester Garages.

Following a meeting in Walsley yesterday, the Walsley shareholders, who are heading the attack on the merger, claimed the support of 14 per cent of Rix's shareholders.

boardroom has been discussed. The Panel on Takeovers and Mergers will be asking the Board to be more details of the company's investment needs and prosperity before shareholders prior to seeing their approval of the merger. Objections to the merger no longer appear to be only on the

This level is not the normal 29.9 per cent since the Panel made Saint Piran sell shares to raise the combined stake in the joint venture. Saint Piran mistakenly went over the 30 per cent trigger level.

Saint Piran still appears to want to make a fight of it and will probably buy the extra shares

Oliver Kirk said: "Apparently the Oliver group has also been established - almost all shareholders are the Garages. Their complaint is said to be based on the fact that after the conversion, the loan stock offered exclusive to Oliver-Rix's shareholders, Manchester Garage will lose its predominance in the joint company."

Reussag picks up 17% block of AMC

Met Corporation has been informed that Norddeutsche Seefahrer has decided to accept the offer of £1.14 per share in respect of its holding of 1,114,313 NAMC shares (17.7% per cent).

The directors of NAMC (except only those connected with the company) are NAMC shareholders. Morgan Grenfell, the advisers, should not accept the offer on behalf of the shareholders. In the light of their views as if the medium-term prospects for the company, they also consider that the offer of £1.14 per share will be best served by assets

hence the agreement for the buy-back.

In the year ended March 1978, Darley produced pre-tax profits of £88,000. The assets at that date, including property revaluation, were so £3m.

M. P. D. Nicholson, chairman of Darley, who has joined the Board of Mr. Arps, says the brewery There has a long tradition which it is planned to continue, and that the company's development similar to that achieved with S. H. Ward Sheffield.

Mr. Arps is enjoying an excellent trading year helped, not only by

holders to retain their ordinary shares in AMC and to take no action with regard to the documents sent to them. They intend to do in respect of their own beneficial shareholdings aggregating 4,300 AMC ordinary shares.

Vaux Acquiring Thorne Brewer

Agreement has been reached whereby Vaux Breweries is to acquire all the capital of W. H. Thorne, brewers of Thorne, near Doncaster.

Consideration for the 30,000 ordinary shares will be 25m, payable in cash or by debentures. The shareholders, either in cash or shares or a combination of both, completion is to take place by the end of June.

Under the new arrangement, the share, the 30,000 5s per cent (4.2 per cent plus tax credit) at par in

by Tagaris, the Eastleigh-based timber importers, builders, merchants and joinery manufacturers.

Tagaris has taken over the business and goodwill of Edward V. Duff, who has been in the business and has taken a 25-year lease of the company's premises, Jameson Road, Burnmouth.

It is continuing to trade under the present name.

Tagaris already has depots at Eastleigh, Basingstoke, Wincanton and Salisbury.

It is a division of PD Timber, member of the Powell Duffry Group.

UNIT TRUSTS

Income now or much more income later

the emergence of the Russian market, the manager has been able to invest new money in a portfolio entirely composed of equities, and the result is a yield of just under 9 per cent. Schleisinger's fund managers put out, and with justice, that the potential capital gains in the portfolio will be enough to wait until the trust is a little older. It

more recently still we have seen the re-emergence of the high income fund, providing investors with a yield substantially above the equity average, but still a reasonable way to diversify the portfolio. The argument has been made, with rather more flexibility in respect of the yield on which the agent buys, that managers will be able to pick out securities which had not merely income, but the prospect of much more income later, to recommend to investors.

Two of the trusts on offer this week illustrate this line of thinking. The first is the High Income Fund, which has three funds: Allied Hambers' High Income Fund has been going since the middle of 1974, while M & P High Income Fund first saw the light of day in 1980. Both of

only launched in May 1977) know whether the potential is great as with its rather lo pre-chased competitors.

In contrast, Arbuthnot's No. 100 High Income Fund is strictly for those who want growth in capital: the yield negligible. Arbuthnot's manager has decided that the U.S. market is the best place to find opportunities, and they are binning their judgment: despite option to invest elsewhere, over per cent of the fund is currently invested in U.S. shares. He argues that "smaller companies grow faster than their overseas subsidiaries have been holding the big boys h — the weight of the portfolio towards small domestic companies, too.

In contrast, Arubuthnot's *Nt* American and International F is strictly for those who w might prefer to support the negligible. Arubuthnot's man has decided that the U.S. m still offers good longer u opportunities, and they are b-

Two of the trusts on offer this week justify this line of thinking. Not that either of them are new funds. Allied Hambro's High Income Fund has been going since the middle of 1974, while M and High Income Fund first saw the light of day in 1969. Both of

Dow index jumps 14

65%	63%
12%	12%
12½	12½
29%	29%
45%	45%
28%	28%
33%	33%
35%	35%
7¼	7¾
7½	6¾
13	12¾
92½	91½
30½	30¾

33½	23½	Best Water Ind.	46½
8½	8½	Row Valley Ind.	
51½	30	BF Canada	18½
22½	24½	Brascan	17½
15½		Brinco	27.50
22½		Calgary Power	38½
44½	45½	Canadown Mines	16½
34½	34½	Canada Copper	11½
44½	44½	Canada NW. L&N	11½
58½	58½	Can. Imp Bk Com.	22½
37½	38½	Canada Indus.	123½
12½	18	Can. Pacific	24½
10	19½	Can. Pacific Inv.	25½
100	99½	Can. Super Oil	66
	4	Carling O'Keefe	4.70
42½	45½	Casimir Asbestos	10
82½	26½	Chesman	27½

15 1/2	15 5/8	Comline	30 1/4
34 3/4	34 1/2	Cmas. Battrust.	25 3/8
31 5/8	31 1/8	Consumer Gas.	18 3/4
56 1/4	55 3/4	Coslek Resources	6 1/4
		Cortain	13 1/2
32 3/8	32 1/8	Dean Devel.	12 1/4
28	28	Denson Mnes.	13 1/4
22 1/2	20 3/4	Don Miles	10 1/2
47 7/8	47 1/4	Dorn Farms	101 1/2
35 3/8	33 1/2	Dominion Bridge	22 1/2
28 7/8	29 1/4	Douglas	28
48	47 1/8	Dupont	16 1/4
52 1/2	51 1/2	Falcon 'n' Nickel	28
37 3/8	37 1/4	Ford Motor Can.	77 1/2
49 1/8	48 1/4		

20 1/2	20 1/2	Southern	55	55	Bayer, Calif., Can.	47
21 1/2	21 1/2	Synthetic	35	34 1/2	Bofinger	8 1/2
21 3/4	21 3/4	Technical	18	12 1/2	Boyle	8
22 1/2	22 1/2	Petroleum	44 1/2	44	Hudson Bay Ship	30 1/2
23 1/2	23 1/2	Technical	10	10 1/2	Hudson Bay Ship	30 1/2
24 1/2	24 1/2	Tele.	8	8	Hudson Oil Co.	20
25 1/2	25 1/2	Teneco	27	27	Hudson Oil Co.	20
25 3/4	25 3/4	Trans Petroleum	10 1/2	10 1/2	I. A. C.	10
26 1/2	26 1/2	Technical	10 1/2	10 1/2	Imperial Oil	23 1/2
27 1/2	27 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
28 1/2	28 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
29 1/2	29 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
30 1/2	30 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
31 1/2	31 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
32 1/2	32 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
33 1/2	33 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
34 1/2	34 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
35 1/2	35 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
36 1/2	36 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
37 1/2	37 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
38 1/2	38 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
39 1/2	39 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
40 1/2	40 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
41 1/2	41 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
42 1/2	42 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
43 1/2	43 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
44 1/2	44 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
45 1/2	45 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
46 1/2	46 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
47 1/2	47 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
48 1/2	48 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
49 1/2	49 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
50 1/2	50 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
51 1/2	51 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
52 1/2	52 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
53 1/2	53 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
54 1/2	54 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
55 1/2	55 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
56 1/2	56 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
57 1/2	57 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
58 1/2	58 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
59 1/2	59 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
60 1/2	60 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
61 1/2	61 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
62 1/2	62 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
63 1/2	63 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
64 1/2	64 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
65 1/2	65 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
66 1/2	66 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
67 1/2	67 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
68 1/2	68 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
69 1/2	69 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
70 1/2	70 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
71 1/2	71 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
72 1/2	72 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
73 1/2	73 1/2	Technical	2 1/2	2 1/2	Imperial Oil	23 1/2
74 1/2	74 1/2	Technical	2 1/2</			

[illegible]

15	1454	Wells-Fargo	321g	321g	Toronto Dom. Bk.	21
2454	2914	Wells-Fargo	421g	421g	Transcan. Pine	1234

Dinner looks likely

ners are not readily dis- At first sight Crested Gr
rrible Provided he shows a may seem to have an air

NOTES: Overseas prices exclude 8 premium. Belgian dividends are after withholding tax.

① Dflm denom. unless otherwise stated. ② Ptas. 360 denom. unless otherwise stated. ③ P. 100 denom. unless otherwise stated. ④ Frs 300 denom. unless otherwise stated. ⑤ Yen 100 denom. unless otherwise stated. ⑥ Marks 100 denom. unless otherwise stated. ⑦ Florins 100 denom. unless otherwise stated. ⑧ Schillings 100 denom. unless otherwise stated. ⑨ Lire 100 denom. unless otherwise stated. ⑩ P. 100 denom. unless otherwise stated. ⑪ P. 100 denom. unless otherwise stated. ⑫ P. 100 denom. unless otherwise stated. ⑬ P. 100 denom. unless otherwise stated. ⑭ P. 100 denom. unless otherwise stated. ⑮ P. 100 denom. unless otherwise stated. ⑯ P. 100 denom. unless otherwise stated. ⑰ P. 100 denom. unless otherwise stated. ⑱ P. 100 denom. unless otherwise stated. ⑲ P. 100 denom. unless otherwise stated. ⑳ P. 100 denom. unless otherwise stated. ㉑ P. 100 denom. unless otherwise stated. ㉒ P. 100 denom. unless otherwise stated. ㉓ P. 100 denom. unless otherwise stated. ㉔ P. 100 denom. unless otherwise stated. ㉕ P. 100 denom. unless otherwise stated. ㉖ P. 100 denom. unless otherwise stated. ㉗ P. 100 denom. unless otherwise stated. ㉘ P. 100 denom. unless otherwise stated. ㉙ P. 100 denom. unless otherwise stated. ㉚ P. 100 denom. unless otherwise stated. ㉛ P. 100 denom. unless otherwise stated. ㉜ P. 100 denom. unless otherwise stated. ㉝ P. 100 denom. unless otherwise stated. ㉞ P. 100 denom. unless otherwise stated. ㉟ P. 100 denom. unless otherwise stated. ㊱ P. 100 denom. unless otherwise stated. ㊲ P. 100 denom. unless otherwise stated. ㊳ P. 100 denom. unless otherwise stated. ㊴ P. 100 denom. unless otherwise stated. ㊵ P. 100 denom. unless otherwise stated. ㊶ P. 100 denom. unless otherwise stated. ㊷ P. 100 denom. unless otherwise stated. ㊸ P. 100 denom. unless otherwise stated. ㊹ P. 100 denom. unless otherwise stated. ㊺ P. 100 denom. unless otherwise stated. ㊻ P. 100 denom. unless otherwise stated. ㊼ P. 100 denom. unless otherwise stated. ㊽ P. 100 denom. unless otherwise stated. ㊾ P. 100 denom. unless otherwise stated. ㊿ P. 100 denom. unless otherwise stated.

[illegible][illegible]

1 Knowledge applause
 2 Headline gives attacking
 3 batsman (7)
 4 Eye lines on which black bird
 5 stands (5, 4)
 6 Remain upset for example
 7 by lord (5)

SOLUTION AND WINNERS
 OF PUZZLE No. 3,760

Following are the winners of
 last Saturday's prize puzzle:

Mr. B. Atkinson, 8, Alanton
 Road, Hitchin, Herts.
 Miss L. M. Pain, 1a West-
 bourne Mansions, Westbourne
 Crescent, Southampton SO2
 1JW.

Mrs. M. Pancheri, 7, Sycam-
 ore Close, Long Crendon,
 Aylesbury.

Following are the winners of last Saturday's prize puzzle:

Mr. B. Atkinson, 8, Manton Road, Hitchin, Herts.
Miss L. M. Pain, 1a Westbourne Mansions, Westbourne Crescent, Southampton SO2 1UW.
Mrs. M. Pancheri, 7, Sycamore Close, Long Crendon, Aylesbury.

19

[illegible]

	Sept. 8	Sept. 7
1940	100	100
1941	100	100
1942	100	100
1943	100	100
1944	100	100
1945	100	100
1946	100	100
1947	100	100
1948	100	100
1949	100	100
1950	100	100
1951	100	100
1952	100	100
1953	100	100
1954	100	100
1955	100	100
1956	100	100
1957	100	100
1958	100	100
1959	100	100
1960	100	100
1961	100	100
1962	100	100
1963	100	100
1964	100	100
1965	100	100
1966	100	100
1967	100	100
1968	100	100
1969	100	100
1970	100	100
1971	100	100
1972	100	100
1973	100	100
1974	100	100
1975	100	100
1976	100	100
1977	100	100
1978	100	100
1979	100	100
1980	100	100
1981	100	100
1982	100	100
1983	100	100
1984	100	100
1985	100	100
1986	100	100
1987	100	100
1988	100	100
1989	100	100
1990	100	100
1991	100	100
1992	100	100
1993	100	100
1994	100	100
1995	100	100
1996	100	100
1997	100	100
1998	100	100
1999	100	100
2000	100	100
2001	100	100
2002	100	100
2003	100	100
2004	100	100
2005	100	100
2006	100	100
2007	100	100
2008	100	100
2009	100	100
2010	100	100
2011	100	100
2012	100	100
2013	100	100
2014	100	100
2015	100	100
2016	100	100
2017	100	100
2018	100	100
2019	100	100
2020	100	100
2021	100	100
2022	100	100
2023	100	100
2024	100	100
2025	100	100
2026	100	100
2027	100	100
2028	100	100
2029	100	100
2030	100	100
2031	100	100
2032	100	100
2033	100	100
2034	100	100
2035	100	100
2036	100	100
2037	100	100
2038	100	100
2039	100	100
2040	100	100
2041	100	100
2042	100	100
2043	100	100
2044	100	100
2045	100	100
2046	100	100
2047	100	100
2048	100	100
2049	100	100
2050	100	100
2051	100	100
2052	100	100
2053	100	100
2054	100	100
2055	100	

*205-205,	\$210,-211
*2011-208,	*211,-212
*208-60,	\$210.85
*1107.9-2,	*2102.045,
*205-50,	\$210.80
*106.235,	*2108.802
*214,-216,	*215-220
*110,-111,	*212,-113,
*53-51,	*50,-52,
*51-52,	*251,-52,
*50-52,	*51-53,
*51,-52,	*515-52,
*211-215	*217-219
*109-110,	*212-113,
*5-58,	*57-59
*5-54,	*229-50,
*50-52,	*51-53

.....-506;-509;-508;-511;

	Special Rights	European Account	Unit of
1.656,250	1.656,250	1.656,250	
1.268,93	1.268,93	1.268,93	
1.836,64	1.836,64	1.836,64	
2.268,93	2.268,93	2.268,93	
70.88,58	70.88,58	40.55,3	
6.946,72	6.946,72	7.885,52	
5.528,84	5.528,84	5.617,58	
2.145,89	2.145,89	2.789,82	
5.528,84	5.528,84	5.617,58	
1958,22	1958,22	1475,58	
268,22	268,22	268,22	
4.670,2	4.670,2	4.706,62	
93.471,5	93.471,5	95.180,40	
5.528,84	5.528,84	5.731,15	
3.659,07	3.659,07	2.970,52	

	Jan 58	Jan 59
1.656,25	1.656,25	1.656,25
1.268,93	1.268,93	1.268,93
1.836,64	1.836,64	1.836,64
2.268,93	2.268,93	2.268,93
70.88,58	70.88,58	40.55,3
6.946,72	6.946,72	7.885,52
5.528,84	5.528,84	5.617,58
2.145,89	2.145,89	2.789,82
5.528,84	5.528,84	5.617,58
1958,22	1958,22	1475,58
268,22	268,22	268,22
4.670,2	4.670,2	4.706,62
93.471,5	93.471,5	95.180,40
5.528,84	5.528,84	5.731,15
3.659,07	3.659,07	2.970,52

Per Cent. 3 1/2 months

per annum (annual rate)

per annum rate in Singapore.

Statistics provided by

STRAIT

	Head(+)	Head(-)
	Diff.	Current
1.656	+ 5.3	
1.268	- 3.3	- 0.3
1.836	+ 62.5	+ 48.4
2.268	- 5.6	+ 1.4
70.88	+ 30.0	- 12.4
6.946	- 1.6	- 1.3
5.528	- 0.3	+ 8.4
2.145	+ 14.4	+ 2.8
5.528	- 3.8	- 6.8
1958	+ 12.7	- 23.2

as per cent of the

as per cent of the

convertible or the final
income on 1/1/01 of

percent of the value of

STOCK EXCHANGE REPORT

Revived institutional demand gives equities a boost

Share index up 8.3 at 517.0 for rise of 19 points on week

Account Dealing Dates

First Declaration Last Account
Dealings Date Dealings Date
Aug. 21 Aug. 21 Sep. 12
Sep. 4 Sep. 14 Sep. 26
Sep. 18 Sep. 28 Sep. 30

* "New time" dealing may take place from 9.30 am to 10.00 am on the above dates.

The Prime Minister's decision not to hold an autumn General Election resounded in stock markets yesterday. Fully aware of a build-up in potential investment funds during the past few weeks of political uncertainty, dealers marked the price of leading industrial shares higher at the outset feeling that Mr. Callaghan's surprise manoeuvre had removed one of the major deterrents, at least, for some months.

The enhanced opening levels failed to deter some sizeable institutional demand and with dealers finding it difficult to acquire stock, initial gains in most leaders were extended further. However, the bulk of the day's business was completed during the afternoon session and the FT 30-share index, which touched its best of the day at noon with a rise of 8.3, drifted back on lack of sustaining demand to a profit-taking to close 8.3 higher on balance at 517.0. Nevertheless, the final tone was fully firm.

Numerous gains were recorded in secondary issues, the overall improvements being reflected in the 5-1 majority of rises over falls in FT-quoted Industrials and the advance of 1.3 per cent to 358.00 in the FT-Actuaries Share Index. Among the sectors, Distillery issues recorded some useful gains, buying interest being stimulated by the EEC Commission's moves to change the existing drink taxes.

Overshadowed to a certain extent by the events in the equity market and by the current problems connected with Government funding, British Funds raised another quiet session. Nonetheless, after a cautious start, long-dated issues gradually edged higher in the absence of any selling and final quotations closed with gains extending to 2.7p. The fall in this week's treasury bill rate was of little benefit to the shorts, but here also the trend was to slightly higher levels.

Deal early conditions in the investment currency market cleared when buyers gradually became more forceful and the premium rallied from 90.1 per cent to close near the day's best at 92.1 per cent, a rise of a point on balance. Yesterday's SE conversion factor was 0.7025 (0.7022).

For only the third time since deals in Traded Options started on April 21, over 1,000 contracts were completed, yesterday's total reaching 1,082, 186 fewer than the record figure recorded on July 18. Reflecting Thursday's satisfactory interim profits performance, ICI

Banks firmer

The major clearing banks made progress with the general trend. Barclays closed 10 dearer at 358p, while Lloyds gained 7 to 274p and Midland, to 304p. NatWest, however, hardened only 3 to 278p. However, moved higher encouraged by Press comment. Alexander, 235p, and Allen Harvey, 235p, were prominent in the market. While the 23p to 230p in a thin market. Gains in the insurance section ranged to 8p, Sedgwick ending at 473p and C. E. Heath adding 7 to 282p.

The moves by the EEC Commission to alter taxation on imported drink encouraged demand for Distilleries, which closed with some sizeable gains. Distillers are prominent in the market, up 5, while Highland, 150p, and A. Bell, put on 4 and 6 respectively. Among Breweries, Vaux closed 8 higher at 132p following session and the FT 30-share index, which touched its best of the day at noon with a rise of 8.3, drifted back on lack of sustaining demand to a profit-taking to close 8.3 higher on balance at 517.0. Nevertheless, the final tone was fully firm.

Numerous gains were recorded in secondary issues, the overall improvements being reflected in the 5-1 majority of rises over falls in FT-quoted Industrials and the advance of 1.3 per cent to 358.00 in the FT-Actuaries Share Index. Among the sectors, Distillery issues recorded some useful gains, buying interest being stimulated by the EEC Commission's moves to change the existing drink taxes.

Overshadowed to a certain extent by the events in the equity market and by the current problems connected with Government funding, British Funds raised another quiet session. Nonetheless, after a cautious start, long-dated issues gradually edged higher in the absence of any selling and final quotations closed with gains extending to 2.7p. The fall in this week's treasury bill rate was of little benefit to the shorts, but here also the trend was to slightly higher levels.

Deal early conditions in the investment currency market cleared when buyers gradually became more forceful and the premium rallied from 90.1 per cent to close near the day's best at 92.1 per cent, a rise of a point on balance. Yesterday's SE conversion factor was 0.7025 (0.7022).

For only the third time since deals in Traded Options started on April 21, over 1,000 contracts were completed, yesterday's total reaching 1,082, 186 fewer than the record figure recorded on July 18. Reflecting Thursday's satisfactory interim profits performance, ICI

Plessey extended

Plessey extended the recent advance with a rise of 4 to 125p, while the Monocleopols Commission, Cargill, the other rival bidder, has withdrawn from the situation. J. Salmsbury advanced 12 to 235p, while Northern Foods, 113p, and Blenheim Confectionery, 78p, put on 5 apiece. British Sugar reflected Press comment with a rise of 7 to 132p and revived quarterly figures. Crompton Electronics, 30p, extended its recent advance to 23p on the increase in earnings, while Thorn Electrical finished 2 harder at 382p, after 388p, despite the chairman's warning about current sales at Hotels and Caterers contributed

to 138p on news that the proposed merger with Imps is not to be referred to the Monocleopols Commission. Cargill, the other rival bidder, has withdrawn from the situation. J. Salmsbury advanced 12 to 235p, while Northern Foods, 113p, and Blenheim Confectionery, 78p, put on 5 apiece. British Sugar reflected Press comment with a rise of 7 to 132p and revived quarterly figures. Crompton Electronics, 30p, extended its recent advance to 23p on the increase in earnings, while Thorn Electrical finished 2 harder at 382p, after 388p, despite the chairman's warning about current sales at Hotels and Caterers contributed

The moves by the EEC Commission to alter taxation on imported drink encouraged demand for Distilleries, which closed with some sizeable gains. Distillers are prominent in the market, up 5, while Highland, 150p, and A. Bell, put on 4 and 6 respectively. Among Breweries, Vaux closed 8 higher at 132p following session and the FT 30-share index, which touched its best of the day at noon with a rise of 8.3, drifted back on lack of sustaining demand to a profit-taking to close 8.3 higher on balance at 517.0. Nevertheless, the final tone was fully firm.

Numerous gains were recorded in secondary issues, the overall improvements being reflected in the 5-1 majority of rises over falls in FT-quoted Industrials and the advance of 1.3 per cent to 358.00 in the FT-Actuaries Share Index. Among the sectors, Distillery issues recorded some useful gains, buying interest being stimulated by the EEC Commission's moves to change the existing drink taxes.

Overshadowed to a certain extent by the events in the equity market and by the current problems connected with Government funding, British Funds raised another quiet session. Nonetheless, after a cautious start, long-dated issues gradually edged higher in the absence of any selling and final quotations closed with gains extending to 2.7p. The fall in this week's treasury bill rate was of little benefit to the shorts, but here also the trend was to slightly higher levels.

Deal early conditions in the investment currency market cleared when buyers gradually became more forceful and the premium rallied from 90.1 per cent to close near the day's best at 92.1 per cent, a rise of a point on balance. Yesterday's SE conversion factor was 0.7025 (0.7022).

For only the third time since deals in Traded Options started on April 21, over 1,000 contracts were completed, yesterday's total reaching 1,082, 186 fewer than the record figure recorded on July 18. Reflecting Thursday's satisfactory interim profits performance, ICI

Savoy Hotel

Savoy Hotel A closing 5 better at 73p and Trust Houses Forte 7 to the good at 232p.

William Collins, in Publishers, firmed 6 to 146p and the A like amount to 145p in response to the interim profits and encouraging sales figures. Elsewhere, Olives Farm Mill rose 4 to 44p, after 47p on favourable Press mention.

Properties improved, where changed, although there became inconsistent after initial buying interest and the leaders held and virtually unchanged. Selected secondary issues, however, held their ground. Mounview Estates encountered renewed speculative support and rose 4 more to a high for the year of 80p, a gain of 21 on the week. Great Portland Estates revived with an advance of 4 to 212p, while R. Green, 381p, and Town Centre, 73p, hardened 2 and 1 respectively. Property and Real Estate, Army A rose 5 to 325p, but Bellway Holdings shed 2 to 71p.

BP quiet

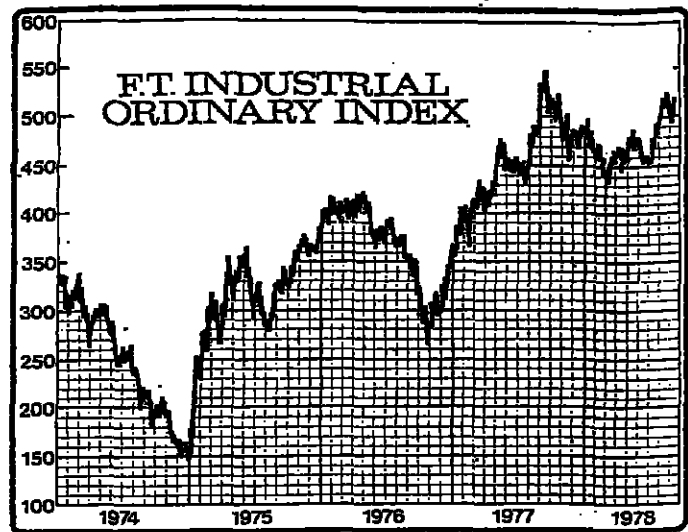
Digesting Thursday's interim results, BP Petroleum passed a quiet session and remained at 890p. Shell, however, moved up 10 to 582p, while Burmah responded to further small buying and added a penny more at 560p. The shares launched 230p before closing at 800p. By way of contrast, Joseph Shakespear lost 4 to 37p, reacting to news of the interim profits setback.

J. B. Kestwood stood out in Foods with an improvement of 15

disappointing interim figures

disappointing interim figures

disappointing interim figures



the annual meeting. Eurotherm was supported at 185p, up 7, while small buying in thin markets left improvements of around 13 in Rascal Electronics, 344p, Wholesale Fittings, 227p, and Farnell Electronics, 378p.

Buyers returned for the institutional buyers returned to the market yesterday for the miscellaneous industrial leaders and prices moved sharply higher. Beecham rose 15 to 730p, Glaxo 13 to 628p and Metal Box 10 to 574p. Recruit and Colman, interim figures due on Tuesday, put on 9 to 514p, but Bowater, ahead of Monday's first-half figures, eased 2 to 195p. Of the many secondary features, ICL were notable for a rise of 10 to 380p following news of new computer orders worth £13m, while favourable comment ahead of next Wednesday's interim results lifted Thomas Tilling 6 to 138p. Investment buying in a thin market left Hunting Associated 11 dearer at 338p, Siebe Gorman added 5 at 212p, after 216p, and Vinten advanced 7 to 156p. Britains, on the other hand, fell 4 to 212p following the sharply reduced interim earnings and Wilson Walton gave up 2 to 41p on adverse comment. Further consideration of the disappointing interim figures

disappointing interim figures

disappointing interim figures

disappointing interim figures

Bowater dull

Institutional buyers returned to the market yesterday for the miscellaneous industrial leaders and prices moved sharply higher. Beecham rose 15 to 730p, Glaxo 13 to 628p and Metal Box 10 to 574p. Recruit and Colman, interim figures due on Tuesday, put on 9 to 514p, but Bowater, ahead of Monday's first-half figures, eased 2 to 195p. Of the many secondary features, ICL were notable for a rise of 10 to 380p following news of new computer orders worth £13m, while favourable comment ahead of next Wednesday's interim results lifted Thomas Tilling 6 to 138p. Investment buying in a thin market left Hunting Associated 11 dearer at 338p, Siebe Gorman added 5 at 212p, after 216p, and Vinten advanced 7 to 156p. Britains, on the other hand, fell 4 to 212p following the sharply reduced interim earnings and Wilson Walton gave up 2 to 41p on adverse comment. Further consideration of the disappointing interim figures

disappointing interim figures

disappointing interim figures

disappointing interim figures

disappointing interim figures

disappointing interim figures

RISES AND FALLS

	Yesterday	On the week
British Funds	Up 2.7	Down 1.3
Commonwealth	Up 1.3	Down 0.8
Financial and Prop.	Up 1.3	Down 0.8
Distilleries	Up 1.3	Down 0.8
Plantations	Up 1.3	Down 0.8
Mines	Up 1.3	Down 0.8
Recent Issues	Up 1.3	Down 0.8
Totals	1,076	2,408

ACTIVE STOCKS

YESTERDAY—

Stock	Denomina- tion	Closing price (p)	Change on day	1978 high	1978 low
ICI	£1	410	+5	414	328
Plessey	50p	115	+4	115	87
BTR "New"	nil/pd.	—	—	—	—
BP	10	830	+4	830	720
GE	25p	316	+4	317	233
Racal Electronics	25p	344	+12	344	198
Bank Org.	25p	288	+6	281	226
Shell Transport	25p	382	+10	382	344
Glaxo	10	730	+15	730	628
BATS Deid.	25p	280	+8	280	227
BICC	50p	138	+1	138	99
Barclays Bank	£1	338	+10	338	296
Boots	25p	233	+4	234	184
Distillers	25p	282	+5	282	226
Grand Met.	25p	115	+4	115	87

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 13(1) (c).

ON THE WEEK—

Stock	Denomina- tion	Closing price (p)	Change on week	1978 high	1978 low
ICI	£1	410	+18	414	328
BP	10	830	+12	830	720
Shell Transport	25p	382	+14	382	344
BATS Deid.	25p	280	+3	280	227
De Beers Deid.	R0.05	437	+5	464	285
Distillers	25p	282	+15	282	226
Plessey	50p	115	+10	115	87
Beecham	25p	730	+16	730	583
BICC	50p	138	+15	138	99
BTR "New"	nil/pd.	—	—	—	—
Burmah Oil	£1	41	+6	41	32
Mitsui & Spencer	£1	40	+6	40	32
Boots	25p	233	+11	234	184
P. & O. Deid.	£1	39	+3	118	83

BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	10%	Hambros Bank	10%
Allied Irish Banks Ltd.	10%	Hill Samuel	10%
American Express Bk.	10%	C. Hoare & Co.	10%
Amro Bank Ltd.	10%	Julian S. Hodge	10%
Bank of Australia	10%	Hongkong & Shanghai	10%
Bank of Ceylon	10%	Industrial Bk. of Scot.	10%
Bank of Cyprus	10%	Keyser Ullmann	10%
Bank of India	10%	Royal Bk. Canada Trust	10%
Bank of N.S.W.	10%	Schlesinger Limited	10%
Bank of Oman	10%	Security Trust Co. Ltd.	10%
Bank of Persia	10%	Shand & Co. Ltd.	10%
Bank of Portugal	10%	Standard Chartered	10%
Bank of Rangoon	10%	Trade Dev. Bank	10%
Bank of Rome	10%	Trustee Savings Bank	10%
Barclays Bank	10%	Twentieth Century Bk.	10%
Barnett Christie	10%	United Bank of Kuwait	10%
Brenner Holdings Ltd.	10%	Whiteaway Laidlaw	10%
Brit. Bank of Mid. East	10%	Williams & Glyn's	10%
Brown Shipley	10%	Yorkshire Bank	10%
Canada Permut Trust	10%	Members of the Acceptance Houses	10%
Capitol C & C. Fin. Ltd.	10%		
Cayzer Ltd.	10%		
Cedar Holdings	10%		
Charterhouse Japhet	10%		
Choulatons	10%		
C. E. Coates	10%		
Consolidated	10%		
Co-operative Bank	10%		
Corinthian Securities	10%		
Credit Lyonnais	10%		
The Cyprus Popular Bk.	10%		
Duncan Lawrence	10%		
East Trust	10%		
English Transatlantic	10%		
First Nat. Fin. Corp.	10%		
First Nat. Secs. Ltd.	10%		
Anthony Gibbs	10%		
Greyhound Guaranty	10%		
Grindlays Bank	10%		
Guinness Mahon	10%		

NEW HIGHS AND LOWS FOR 1978

Stock	High	Low
ICI	414	328
BP	830	720
Shell Transport	382	344
BATS Deid.	280	227
De Beers Deid.	464	285
Distillers	282	226
Plessey	115	87
Beecham	730	583
BICC	138	99
BTR "New"	—	—
Burmah Oil	41	32
Mitsui & Spencer	40	32
Boots	234	184
P. & O. Deid.	118	83

RECENT ISSUES

EQUITIES

Stock	Denomina- tion	Closing price (p)	Change on day	1978 high	1978 low
ICI	£1	410	+5	414	328
Plessey	50p	115	+4	115	87
BTR "New"	nil/pd.	—	—	—	—
BP	10	830	+4	830	720
GE	25p	316	+4	317	233
Racal Electronics	25p	344	+12	344	198
Bank Org.	25p	288	+6	281	226
Shell Transport	25p	382	+10	382	344
Glaxo	10	730	+15	730	628
BATS Deid.	25p	280	+8	280	227
BICC	50p	138	+1	138	99
Barclays Bank	£1	338	+10	338	296
Boots	25p	233	+4	234	184
Distillers	25p	282	+5	282	226
Grand Met.	25p	115	+4	115	87

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 13(1) (c).

ON THE WEEK—

Stock	Denomina- tion	Closing price (p)	Change on week	1978 high	1978 low
ICI	£1	410	+18	414	328
BP	10	830	+12	830	720
Shell Transport	25p	382	+14	382	344
BATS Deid.	25p	280	+3	280	227
De Beers Deid.	R0.05	437	+5	464	285
Distillers	25p	282	+15	282	226
Plessey	50p	115	+10	115	87
Beecham	25p	730	+16	730	583
BICC	50p	138	+15	138	99
BTR "New"	nil/pd.	—	—	—	—
Burmah Oil	£1	41	+6	41	32
Mitsui & Spencer	£1	40	+6	40	32
Boots	25p	233	+11	234	184
P. & O. Deid.	£1	39	+3	118	83

BASE LENDING RATES

100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell and Zambon 8% Cum. Div.	11
100p	F.P.	7/9	12/1	110	Neerell	

OFFSHORE AND OVERSEAS FUNDS

INSURANCE AND PROPERTY BONDS

NOTES

[illegible]

PERJANICE HARBOR Continued

Line	Stock	Price	+ or -	Div. %	Est.	Yld. %	P/E
55	Wash. Fed. S. & F.	83	-2	5	1	2	29
56	Wash. Fed. S. & F.	230 1/2	0	QSO	2	2	29
57	Wash. Fed. S. & F.	19 1/2	0	10 1/2	1	8	6
58	Wash. Fed. S. & F.	125	0	10 1/2	1	8	6
59	Wash. Fed. S. & F.	62	0	10 1/2	1	8	6
60	Wash. Fed. S. & F.	67	0	10 1/2	1	8	6
61	Wash. Fed. S. & F.	67	0	10 1/2	1	8	6
62	Wash. Fed. S. & F.	17	0	10 1/2	1	8	6
63	Wash. Fed. S. & F.	32	0	10 1/2	1	8	6
64	Wash. Fed. S. & F.	130	0	10 1/2	1	8	6

102	G. A. H. H. Sp	132	+1	381	23	86
98	H. G. H. H. Sp	67	-	029	24	18
44	H. G. H. H. Sp	50	-1	322	11	22

90	Western Time	110.4	1.0	941.16			
80	Western Time	69	0.0	1.48			
70	Western Time	11.4	0.0	1.48	1.0	0.7	
60	Western Time	400.0	0.0				
50	Western Time	11.4	0.0				
40	Western Time	38	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			
40	Western Time	2.0	0.0	1.07			
30	Western Time	2.0	0.0	1.07			
20	Western Time	2.0	0.0	1.07			
10	Western Time	2.0	0.0	1.07			
00	Western Time	2.0	0.0	1.07			
90	Western Time	2.0	0.0	1.07			
80	Western Time	2.0	0.0	1.07			
70	Western Time	2.0	0.0	1.07			
60	Western Time	2.0	0.0	1.07			
50	Western Time	2.0	0.0	1.07			

42	Bu ₂ SnEt ₂	88	+1	—	—	—
51	Di ² -L ² -S ¹ -16	89	+1	95%	—	cat. 8
750	no P ² with Sn ²	91	—	—	—	—

[illegible]

324 American Lakes ... 512 1. 1. 1. 57 12. 0 1.7

[illegible]

SUBJECTS AND DEALS

[illegible]

104	Ascani Inv. F.	277	-3	721	227	1
2012	Empire Plants Corp.	79		4202	26	1

[illegible]

5712	Bracken Cr.	---	651	-1 1/2	1025r	7.5
38	East Dogga Cr.	---	285	-1 1/2	1020r	13

[illegible]

59	Western Deep Pt	53.4	-22	15.5	24
63	Zandvran Ri	22.6	-7	91.5	4

[illegible]

33	Middle West	150	-5	Q25e	2	7
22	Minicorp Ltd	39	..	t1.27	16	4
7	Minicorp Ltd	39	..	t1.27	16	4

Sandoz Am. Inc.	259	-8	Open	131
Ciba-Geigy Plc.	96	+1	Open	70
De Beers Ltd.	497	-5	Open	170
Tre. Grupp Fin. SE	=11	-	Open	10
U. Gumpert AG	65	-	Open	10
Rau. Pap. Wk.	55	-4	Open	10

17	N.E.I.	12	22	(Oil)
21	U.S. West. Bank	10	10	Bur. Petroleum
22	U.S. Nat. Bank	10	10	Burman Oil
27	P. & O. Ind.	10	10	Charterhall
28	P. & O. Ind.	10	10	Shell
29	P. & O. Ind.	10	10	Citranagar
29	P. & O. Ind.	10	10	
30	P. & O. Ind.	10	10	
31	P. & O. Ind.	10	10	
32	P. & O. Ind.	10	10	
33	P. & O. Ind.	10	10	
34	P. & O. Ind.	10	10	
35	P. & O. Ind.	10	10	
36	P. & O. Ind.	10	10	
37	P. & O. Ind.	10	10	
38	P. & O. Ind.	10	10	
39	P. & O. Ind.	10	10	
40	P. & O. Ind.	10	10	
41	P. & O. Ind.	10	10	
42	P. & O. Ind.	10	10	
43	P. & O. Ind.	10	10	
44	P. & O. Ind.	10	10	
45	P. & O. Ind.	10	10	
46	P. & O. Ind.	10	10	
47	P. & O. Ind.	10	10	
48	P. & O. Ind.	10	10	
49	P. & O. Ind.	10	10	
50	P. & O. Ind.	10	10	
51	P. & O. Ind.	10	10	
52	P. & O. Ind.	10	10	
53	P. & O. Ind.	10	10	
54	P. & O. Ind.	10	10	
55	P. & O. Ind.	10	10	
56	P. & O. Ind.	10	10	
57	P. & O. Ind.	10	10	
58	P. & O. Ind.	10	10	
59	P. & O. Ind.	10	10	
60	P. & O. Ind.	10	10	
61	P. & O. Ind.	10	10	
62	P. & O. Ind.	10	10	
63	P. & O. Ind.	10	10	
64	P. & O. Ind.	10	10	
65	P. & O. Ind.	10	10	
66	P. & O. Ind.	10	10	
67	P. & O. Ind.	10	10	
68	P. & O. Ind.	10	10	
69	P. & O. Ind.	10	10	
70	P. & O. Ind.	10	10	
71	P. & O. Ind.	10	10	
72	P. & O. Ind.	10	10	
73	P. & O. Ind.	10	10	
74	P. & O. Ind.	10	10	
75	P. & O. Ind.	10	10	
76	P. & O. Ind.	10	10	
77	P. & O. Ind.	10	10	
78	P. & O. Ind.	10	10	
79	P. & O. Ind.	10	10	
80	P. & O. Ind.	10	10	
81	P. & O. Ind.	10	10	
82	P. & O. Ind.	10	10	
83	P. & O. Ind.	10	10	
84	P. & O. Ind.	10	10	
85	P. & O. Ind.	10	10	
86	P. & O. Ind.	10	10	
87	P. & O. Ind.	10	10	
88	P. & O. Ind.	10	10	
89	P. & O. Ind.	10	10	
90	P. & O. Ind.	10	10	
91	P. & O. Ind.	10	10	
92	P. & O. Ind.	10	10	
93	P. & O. Ind.	10	10	
94	P. & O. Ind.	10	10	
95	P. & O. Ind.	10	10	
96	P. & O. Ind.	10	10	
97	P. & O. Ind.	10	10	
98	P. & O. Ind.	10	10	
99	P. & O. Ind.	10	10	
100	P. & O. Ind.	10	10	

A selection of Options traded is given on the London Stock Exchange Report page

Electric	18	Piercy	8	Fasthorn	3
Eng.	26	S.H.M.	5	Shell	28
Eng. & Mech.	2	Eng. Co. (A)	16	Ultramar	20
S.A.	2	Eng. & Int'l.	3		
Eng. & M.	1	Spillers	3	Mines	
Eng. & M.	1	W.C.O.	4	Charter Cons.	12
Waterfield	20	Thorn	22	Cons. Gold	14
Eng. & Fract.	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on this London Stock Exchange Report page

Cruising means



MAN OF THE WEEK

A firmer hand on the helm

BY IAN HARGREAVES

KENNETH James William Mackay is a copybook earl. At 60 he has behind him Eton, Trinity, the Lancashire and a business career of solid eminence in the former colonies and in the City. His hobbies, he lists impeccably as shooting, stalking, hunting and fishing.

But yesterday Lord Inchcape was more than a little indignant about the fuss caused in certain quarters of the City by the news that after five years as non-executive chairman of P & O, he is establishing his presence on the bridge more firmly by becoming chief executive as well.

Partly his indignation represents a shy and quiet man's straightforward dislike of fuss. But he also insists that the quest for wider motives behind the change is unnecessary, almost one might say impertinent.

"I just feel that for a company and an industry which is generally depressed and facing great difficulties that a non-executive role is unsuitable for the chairman," he says.

There may, he adds, be some minor management reorganisation as P & O adapts to its own increased presence alongside the continued presence of Mr. Sandy Marshall as managing director, but no further changes are planned in the membership of the board or the structure of the company.

The City, naturally, has not been short of more colourful conjectures. According to the theories, Lord Inchcape has been



LORD INCHEAPE

No hidden motives behind the change

manoeuvred in by the institutions to stop the rot in P & O's profits, has reassured himself to quell internal boardroom wrangling, or is plotting the once-mooted convergence of the Inchcape Group and P & O.

Lord Inchcape gives the hypothesis short shrift. He also says that he has not changed his views about the usefulness of non-executive directors either as a result of his experience at P & O or at Burnham Oil, where he and three other non-executive directors resigned when the company's huge financial problems became apparent.

In what has been a trying week, he also had to re-assure stockholders at the annual meeting yesterday of the Inchcape Group, of which he is also executive chairman, that his new job at P & O would not mean him neglecting Inchcape and the £160m of business its myriad of trading companies carried out last year. He does expect, however, to be spending more time in the piece of Leadenhall Street owned by P & O than the nearby St. Mary Axe owned by Inchcape.

Tussle

This week's events are not, of course, the first time that Lord Inchcape has moved firmly and publicly in response to a crisis in contrast to his preferred style of delegation and devolution. Inchcape became chairman of P & O after one of the most celebrated take-over tussles in recent years, when the shipping company first beat off an approach by Bovis and then within two years bought out the property and banking group.

The question of the moment is, he accepts, how P & O is to deal with the shipping crisis which slashed the group's first half pre-tax profits from £26.9m to £1.1m.

He discloses no instant changes of policy, but agrees that the British shipping industry is unlikely to regain the size and status it enjoyed prior to the slump. Does that mean more diversification for P & O out of ships? For the moment, Inchcape is not saying, but is hurt that some newspapers and commentators have in the past few days dubbed him a "non-shipping man" in contrast to Mr. Marshall.

Perhaps the chairman and chief executive of the Peninsular and Oriental Steam Navigation Company will at least win acceptance of that point,

FINANCIAL TIMES

Saturday September 9 1978

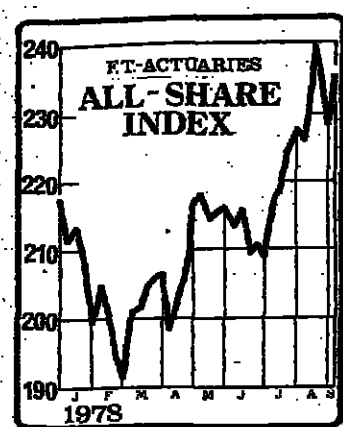
STRATHSPEY

100% Highland Malt Whisky
"Gaird E Suas
Ur Misneachd"

THE LEX COLUMN

Strength amid the uncertainties

Index rose 8.3 to 517.0



Traditionally the stock market hates uncertainty, which on the face of it makes it a little hard to explain why share prices jumped yesterday after Mr. Callaghan's decision to leave the nation in election limbo for even longer. We are now apparently condemned to months of knife-edge Commons divisions and unceasing political speculation. Perhaps the most convincing explanation of the strength of equities—the FT-All-Share Index is up 19 points on the week—is that fund managers are being forced off the fence. Many were prepared to let their liquidity build up during a General Election campaign. But with the poll postponed indefinitely they no longer have a plausible excuse for remaining inactive.

At a deeper level the argument is going on between the bulls, who believe that a battered Government clinging to power will have to follow neutral economic policies, and the bears, who fear that the consumer boom will now be stretched out far longer than is safe.

Guinness Peat

The disclosure this week that Guinness Peat has been forced to limit its 1977-78 dividend increase to just over 2 per cent per share at the gross level (or 3 per cent net) only goes to show what a minefield dividend controls can be. In last year's preliminary statement GP announced that, as a result of its acquisition of London Electrical and General Trust, it had obtained permission to increase the dividend per share by 20 per cent. There was no reference to the restriction which would impose on this year's payment.

Since it became clear on Thursday that the standard 10 per cent dividend increase was not possible GP has, by all accounts, been inundated with inquiries. And yesterday it circulated a three-page statement to brokers, explaining how the dividend restriction worked.

It turns out that GP never had Treasury permission for an exceptional dividend rise. What happened was that in making an acquisition it issued shares which did not rank for the 1976-77 interim payment. This left it with spare dividend payment potential within the Treasury guidelines and this was used to boost the final. But for

1977-78 the new shares ranked for the interim and this absorbed part of the normal 10 per cent allowable increase in the payout.

In retrospect, the company ought to have warned shareholders last year that they would not be entitled to automatic 10 per cent growth this time. But maybe GP hoped the problem would be covered by a rights issue, or another takeover, or the ending of controls.

Plessey

Last Tuesday Plessey announced that first quarter losses of £1m at Garrard had been a major factor in preventing the group from showing any profits growth for the period. But it was yesterday before the group announced major reductions at Garrard, in a move to concentrate activities at the upper end of the market.

The news of decisive action was taken quite well by the stock market, though the 4p rise in the share price to 115p also owed something to the general strength of the market.

Elimination of Garrard's current losses would add some thing like 8 per cent to Plessey's overall earnings. But there will be big redundancy costs to be borne, continuing the recent pattern at the group which in the past two years has already provided over £27m before tax relief, in extraordinary items to cover closure costs (mostly in telecommunications).

Reducing Plessey's labour force is involving a major financial investment. Funny enough, that £27m is almost first thought.

Leyland talks called over toolmakers' strike threat

BY NICK GARNETT, LABOUR STAFF

AN EMERGENCY meeting of the BL Council, the highest tier in the company's participation structure, has been hurriedly convened for Monday to discuss the implications for Leyland of the threatened toolmakers' strike. Management decided to arrange the meeting late last night after the series of talks this week between union officials and striking toolmakers at SU Fuel Systems, broke down yesterday in some dismay.

Expulsion

Leaders of the 32 toolmakers, who are seeking a 27 a week pay increase to bring them to the level of toolmakers at the Rover plant in Solihull, said last night that they would still appear at an Amalgamated Union of Engineering Workers district committee meeting in Birmingham on Tuesday, to which they have been summoned.

The talks this week, however, have made virtually no pro-

gress towards settling their pay parity dispute. If that remains the position, the strikers will again refuse a union instruction to return to work and notices of expulsion from the union, ratified by the national executive, will take effect.

In that event, BL's unofficial toolroom action committee, led by Mr. Roy Fraser, has threatened to call out all BL's 3,000 toolmakers in a repetition of the highly damaging month-long toolroom strike last year which cost the company about £150m.

The only alteration to that timetable, other than through further negotiations between management and union officials, could possibly occur in the processing of the expulsion of the men appealed, any executive ruling that they remained in the union until the appeal was heard, would defer the ultimate decision until an appeal court hearing in October.

The meeting yesterday, which involved the SU toolmakers, Mr. Ken Cure, the Birmingham East district secretary, and Mr. Bill Jordan, the union's divisional organiser ended in bitter accusations.

Mr. George Regan, the SU strike leader said they were no nearer finding common ground with the company, and that suggestions that they were made a "special case" had fountered. He was still hopeful that full-time officials would continue negotiations with the company.

Mr. Cure said that on Thursday the strike leaders had agreed not to oppose a return-to-work recommendation that would have been made to a meeting of the 32. The leaders had subsequently reversed that decision.

Suspended

In the group's other major trouble spot, Leyland Vehicles has told shop stewards at its

Bathgate truck and tractor plant in Scotland that the transfer of production there from the company's Albion factory was being suspended indefinitely or until it was felt necessary that the transfer should go ahead.

Integration of production between the two plants is quite advanced. Although the company says that the suspension has been caused by delays in increasing gearbox production at Albion, part of the integration scheme, it is thought that the poor labour relations record at Bathgate has influenced the decision.

Shop stewards representing 1,500 striking machinists at Bathgate are trying to call a mass meeting on Tuesday. Senior shop stewards throughout the plant have also been called to a meeting on Monday and there are attempts to convene another set of talks between management and national union officials to discuss the Bathgate problems.

Awkward economic issues must now be faced

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT faces a series of politically awkward decisions within the next few weeks on major economic issues, including the future level of public spending and the proposed EEC currency stabilisation scheme.

Until Mr. Callaghan's announcement on Thursday, Ministers had hoped to leave decisions on such potentially divisive topics until after an election.

The key economic decisions within the next couple of months are:

1. Public spending. The Cabinet agreed in July to retain the 2 per cent overall limit on the annual growth of the volume of public spending set out in last January's White Paper, but Ministers deferred decisions on the distribution between programmes.

Following the Bremen summit in early July a timetable was agreed for implementation early next year requiring decisions by Finance Ministers in the next two months and by Heads of Government in early December.

Domestic monetary policy. Decisions will have to be taken this autumn on whether to con-

tinue or to reduce the 8 to 12 per cent target for the growth of Sterling M3, the broadly defined money supply, during 1978-79.

The public spending issue will have to be resolved first. Officials have been working on a series of options within the overall limit so that Mr. Joel Barnett, the Chief Secretary, can report back to the Cabinet within the next few weeks. (This exercise The main items of suggested extra expenditure are a new maintenance grant for those in full-time education between 16 and 18, a special benefit for those on short-time work, and expansion of capital investment on certain environmental programmes.

It is uncertain whether there will be any shortfall in the estimates on other programmes to allow for these items, or whether there will have to be cuts elsewhere. One problem is that decisions taken in the April budget to raise child and other social security benefits have already committed about half the £1.5bn contingency reserve for 1979-80 and there is a reluctance to commit much more before the start of the financial year.

The currency stabilisation scheme is potentially more sensi-

tive politically in view of both the strength of anti-EEC feeling within the Labour Party and the reservations in Whitehall about how such a plan might work.

Officials have been working during the summer on detailed options—most recently at the EEC Monetary Committee on Wednesday—but several important features are resolved. In spite of the practical difficulties the Prime Minister has been strongly committed to the plan.

Decisions on domestic monetary policy will be watched most closely by the market. When the system of rolling six monthly monetary targets was announced in the April Budget, Mr. Hesley said: "If events have moved as I would hope on counter inflationary policy, I would be appropriate to consider in the autumn whether to reduce it (the target range)." Since then the Government has introduced a credit squeeze package.

The review of the monetary targets is unlikely to be undertaken until after the completion of the autumn forecasting round in the Treasury next month and any announcement may not be made until after Parliament reassembles.

IMF waits on U.S. decision about loan

By David White

PARIS, Sept. 8.

NO FURTHER hint of plans by the U.S. for International Monetary Fund borrowings in order to support the dollar emerged from a meeting of deputies of the Group of Ten leading industrialised countries here today.

Renewal of the General Arrangements to Borrow (GAB) was the main item on the agenda, but delegates said that there was no discussion of a U.S. borrowing which would draw on GAB funds.

The group of deputies approved a report on the future of the GAB. The report is understood to recommend that it be continued at its present level of about 6.2bn special drawing rights (SDRs) or close to 77bn (£3.6bn).

The report was drawn up at the request of the Group of Ten Ministers at their meeting in London in April and will be presented to the Ministers' next meeting in Washington this month, just before the International Monetary Fund's annual conference.

Mr. Anthony Solomon, chief U.S. representative at today's meeting, said that no decision had been taken as to whether to draw on IMF funds as part of the measures to support the dollar which were promised yesterday by Mr. Michael Blumenthal, Treasury Secretary.

It is generally presumed that if the U.S. were to decide to draw on its unconditional credit available at the IMF (4bn SDRs), this would require an increase in the amount committed to the GAB.

U.S. officials at the meeting claimed, however, that there would not necessarily be any problem in finding funds. This, they said, would depend on the size of the drawings and the currency mix involved.

The GAB commitments were renewed in October, 1975, for five years, but require confirmation following the recent changes in IMF rules. The size of the fund, except for a unilateral increase in Japan's contribution, has not changed since it was set up in 1962.

The recommendation being made to the Ministers' meeting is that it should be renewed without any increase in commitments—the West Germans in particular being intent on restraining the level of international liquidity.

Clearly, any proposal to boost the GAB at the present stage would automatically be interpreted as heralding its activation by the U.S.

The amount that would be available from the GAB, should the U.S. apply to borrow from it, without tapping the latter's supply of hard currencies, is not clear. The GAB was severely depleted by Britain's 2.56bn SDR borrowing at the end of 1976 and by Italy's subsequent drawing of 300m SDRs, although U.S. officials pointed out that these borrowings were being rapidly paid back. The Americans' own contribution to the GAB is \$2bn.

Thorpe could defy Liberal leader

BY ELINOR GOODMAN

MR. JEREMY THORPE, MP for North Devon, is expected to defy Mr. Thorpe's presence might be embarrassing and would deflect attention from the key economic and party strategy debates due on Thursday.

Mr. Thorpe, who last year, after he had resigned as party leader, was given a standing ovation by the conference, has apparently decided to appear at Southport on Thursday, when he has been asked to chair a fringe meeting. By going to the conference he may hope to appeal directly to the party's workers, who have traditionally supported him.

His attendance would be supported by his local party, which has remained loyal to him throughout. Yesterday Mr. Charles Vagg, chairman of the North Devon Liberal Party, said he knew of no reason why Mr. Thorpe should not attend. Everyone was innocent until proved guilty.

The view among MPs was that Mr. Thorpe's presence might be embarrassing and would deflect attention from the key economic and party strategy debates due on Thursday.

Mr. Thorpe, who last year, after he had resigned as party leader, was given a standing ovation by the conference, has apparently decided to appear at Southport on Thursday, when he has been asked to chair a fringe meeting. By going to the conference he may hope to appeal directly to the party's workers, who have traditionally supported him.

His attendance would be supported by his local party, which has remained loyal to him throughout. Yesterday Mr. Charles Vagg, chairman of the North Devon Liberal Party, said he knew of no reason why Mr. Thorpe should not attend. Everyone was innocent until proved guilty.

Continued from Page 1

Scornful Thatcher

The Government was determined to prove the inflation was under control and that the foundation had been laid for unemployment to fall steadily.

Despite this enthusiastic endorsement, the wisdom of the Prime Minister's decision against an autumn poll was cast in doubt by many Labour MPs who feel that he may have let slip the party's best chance of victory.

While senior Transport House organisers were putting a brave face on the anticlimax, Mr. Tom Jackson, the new TUC chairman said in Brighton that he was disappointed by the postponement.

He spoke of the risk of confrontation over the five per cent Phase Four guideline in the coming months.

Conservative leaders insisted that, despite the false start, their poster and cinema campaigns would continue, although Central Office has used its quota of party political television broadcasts for this year.

Lord Thorneycroft, the Tory chairman, promised "vigorous and energetic activity" to Conservative workers yesterday. The group spent an estimated £500,000—compared with £100,000 by Transport House—before Mr. Callaghan ended the election

speculation.

An opinion poll on the Prime Minister's "no autumn election" announcement showed Britain to be split down the middle.

The poll carried out by Opinion Research Centre for ITN said that while 42 per cent agreed with Mr. Callaghan's decision, 43 per cent disagreed with it. Another 15 per cent did not know.

Dearer home loans still likely later this year

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

BUILDING SOCIETY chiefs have been under growing pressure to boost their net receipts by making investment rates more competitive.

The problem of attracting more investment money, which is now coming to societies at the rate of £300m a month, was accentuated last week by increases in returns on National Savings investments.

The societies' council is pressing on with informal lobbying of the Government to relax restrictions on home lending.

Union Corporation Group

Bracken Mines Limited

Kinross Mines Limited

Leslie Gold Mines Limited

St. Helena Gold Mines Limited

Winkelhaak Mines Limited

DECLARATION OF DIVIDENDS

- Dividends have been declared payable to members registered in the books of the under-mentioned companies at the close of business on 22nd September, 1978.
- The dividends are payable in South African currency. Members with payment address in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency; the date for determining the rate of exchange at which South African currency will be converted into United Kingdom currency will be 17th October, 1978. Such members may however, elect to be paid in South African currency, provided that any such request is received at either the Registered Office or the London Transfer Office on or before 22nd September, 1978. Warrants will be posted from the Registered Office and London Transfer Office on or about 5th November, 1978.
- The registers of members of the companies will be closed from 25th to 29th September 1978 both days inclusive.
- Payments will be made subject to conditions which can be inspected at the Registered Office or London Transfer Office of the Companies.

Company (each of which is incorporated in the Republic of South Africa)	Dividend amount per share/stock unit (S.A. currency)
Bracken Mines Limited	24 cents
Kinross Mines Limited	32 cents
Leslie Gold Mines Limited	14 cents
St. Helena Gold Mines Limited	110 cents
Winkelhaak Mines Limited	76 cents

Per pro. UNION CORPORATION (U.K.) LIMITED

London Transfer Office:
Granby Registration Services,
Granby House,
95 Southwark Street,
London, SE1 0JA.

London Secretaries:
L. W. Humphreys
Princes House,
95 Gresham Street,
London, EC2V 7BS
8th September, 1978